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THE much-advertised journey of President Feng Kuo-chang to Hankow last week turned out in the end to be pretty much of a farce. One is reminded of the Count of Flanders, we believe it was, who marched his troops to the top of the hill and then marched them down again. The top of President Feng's "hill" was Hankow, but he never reached it; he only got as far as Pengpu, where he stopped but a very short time, and then returned to Peking, arriving there Tuesday, shortly after noon; one of the (unofficial) reasons given for his not proceeding further than Pengpu is that troops hostile to him are quartered just south of that point. Considerable journalistic space was wasted in the daily press in discussing the bad or evil effects, as the case happened to be, of the proposed trip. One of the Shanghai journals in its Tuesday's issue discussed the situation at great length, but unfortunately the editor's views were very much at fault owing to the fact —as was made clear in the succeeding day's issue—that the very important telegram from Peking announcing the fact that the President had changed his mind about going to Hankow did not reach the office of the newspaper in question until after the paper had been printed. Whatever object President Feng may have had in going to Hankow is of little consequence now, and so we will dismiss the matter without any further discussion except to state that we understand a mandate for the armed suppression of Hunan is soon to be promulgated, the draft of the order having already been prepared by the secretariat of the President.

IT would appear from recent Japanese press comment that Japan is by no means satisfied at having had accorded to it by America a recognition of "special interests" in Manchuria. From all indications this is merely to be a stepping-stone to a coveted *exclusive* position, not only in China but in the whole Far East. In a recent issue the Tokio *Asahi* gave vent to a feeling of irritation at so simple a fact that Great Britain had seen fit to send a warship, the *Suffolk*, to Valdivostock, and coupled this with a report that the British Minister in Peking had advised the Chinese Government concerning a plan for recovering control of the Chinese Eastern Railway from the Russians. This prominent Japanese paper urges that as Japan and England are allies all precautions should be taken from both sides not to create any doubt or misunderstanding, but expresses the opinion that it is likely to make the Japanese suspicious that England should have sent a warship to Vladivostock without making an explanation as to the necessity for doing so. The *Asahi* in supporting its thesis says, among other things, the following:

"The Britishers in China for many years past have been taking an attitude against the interests of Japan, contrary to the policy of their home Govern-

ment in London. Now, the mobilization of the Chinese troops in Northern Manchuria has been carried out on rather too big a scale for the mere purpose of protection along the Chinese Eastern Railway line, too big to be commensurate with the political situation of China, which needs attention considerably . . . Since the commencement of the present European War, the protection of the Oriental seas has been the responsibility of Japan. As the war progressed, the protection of the South Seas, the Indian Ocean, and recently the whole of the Pacific Ocean has become the duty of the Japanese navy. Such arrangement has been no doubt arrived at with full accord between Japan and England. When England is busy with her war in Europe, and while the Japanese navy is expected to engage in the duty of protection, it is very peculiar that England should send a big warship of 9,000 tons to a little port in the North Pacific. Besides, there are not more than fifty or so, or at most less than 100, British subjects in Vladivostok. Thus, it is suspected that there must be some other reason than the obvious one for sending the British warship to Vladivostok."

U. S. CONSUL General Anderson at Hongkong, in an article published in a recent issue of the New York *Journal of Commerce*, points out, with China as an example, how completely a silver standard country and its business interests are subject to the control of private interests. He cites conditions in Hongkong where, he says, "the dominant banking interests in Hongkong and China, preeminently Hongkong's principal bank, has refused to advance its exchange rates to meet the price of silver abroad. For example on September 22, 1917, when silver reached its highest point, the telegraphic transfer rate of the Hongkong dollar was 77¼ cents gold, while on that date the parity of silver, *i.e.*, the cost of importing the silver, in a dollar at current rates (on that date 55 cents per ounce) was about 96 cents." It will be seen that exchange had been kept almost 20% below its natural level. Mr. Anderson, in concluding his discussion of China's money troubles, says:

"There has been no development to the recent movements of silver in China, which tends to support the idea that the stupendous extension of credit growing out of the war might force the nations of the world to establish a bi-metallic standard so as to give the support of the world's stock of silver to lighten the strain on gold value which this great expansion entails. Recent experiences in the Far East have demonstrated that the white metal is subject to all the manipulation it ever was troubled with and more. Since the war began its value has varied from an average of about 42.3 gold cents to the Hong Kong dollar just previous to the war to as low as 38.65 gold cents to the same dollar in the spring of 1917, and to as high a value as 78 gold cents to the same dollar six months later. As a support to gold its only use would be as a commodity value, and there are other commodities which would be more valuable. After all, while the warring nations have raised stupendous loans in terms of gold and are extending their credits based theoretically on gold still further, they have not been destroying gold. They have destroyed property. They have been spending not gold but human labor, the fruit of human endeavor, the products of human toil. The loans now placed in terms of gold will be repaid not in metal but in the products of their farms, their factories and their accumulated wealth in material things. As was once aptly remarked by a Chinese customs official, gold is but the small change in international transactions and, as a matter of fact, it also is merely the standard of measuring payments between society and each member of it which really are made in kind and on the basis of mutual credit. The nation which, emerging from war with all its burdens, first disregards the touchstone gold and looks to increasing the production of its farms, of its iron and steel mills, of all its industries, will be the first nation to pay its debts."

THE tenor of Consul Anderson's article referred to in the above paragraph is, on the whole, in support of China adopting a gold standard. Arguments in favor of a gold standard for China, however, fall rather flat just at the moment. China is immensely benefited at the present time because of its having a silver standard and this despite the uncertainties incidental to fluctuating exchange. American and British—as indeed all other Western—government officials serving in China—are doing their utmost to get away from the effects of having their salaries paid them on a gold basis. In the British service in China, for instance, an arbitrary rate, which heavily penalizes gold, was adopted a year or so ago, according to which fees are paid in and salaries paid out; this was done in order to put the salaries of the government employees on a better than gold basis. The difference against gold in the rate adopted is so great that it has led to litigation in the Supreme Court at Shanghai, brought on by a party insisting on paying certain fees in gold. The high price of silver has also led to agitation in America in favor of giving the white metal a chance—so much so that the New York *Financial Chronicle* has been impelled to protest in the following words:

"We suppose the reports in the newspapers that the American Government is seriously considering the reinstatement of silver as a monetary standard, and means, in conjunction with the Entente Powers, to engage in a scheme for restoring bi-metallism, are not to be taken seriously. It is inconceivable that after traveling such a long and weary road before permanently attaining our present monetary standard, any one should have the hardihood to propose turning backward and encourage a movement for debasing the standard. It is surprising that even the Senators from the silver States, who were so active in the previous silver movement, which precipitated so many crises in the country's history, should think the people of the United States would so soon forget the evils and the mischiefs done by this previous propaganda, and which would have involved the country in an unexampled catastrophe, except for the fortitude displayed by President Cleveland in holding out for the absolute repeal of the Silver Purchase law. The country is now engaged in a gigantic

war, and nothing could be more harmful in obstructing the financial processes for carrying on the conflict than action of this kind, calculated to inject doubts as to the character and stability of the country's monetary standard. It is, unfortunately, too true that in war times we are inclined to disregard economic and other laws, to close our eyes to the lessons of history, and to treat precedent with contempt, but surely no one in authority will lend a listening ear to pleas intended to undermine the financial security of the country. The argument now is the same as in the past, that to remonetize silver would be to furnish a larger basis for extending the country's credit facilities."

RESIDENTS of the Far East, whether as business men, educators or employees, can have little idea of the very awkward conditions existing in Europe and America in regard to that very common, yet important, article of diet —sugar. The first country to feel the effects of the war when it commenced in 1914 was Great Britain because it had depended almost entirely upon Germany for its supply, produced in the latter country from beets on a scale unparalleled in any country in the world. One of the first actions of the British Government was to refuse to buy German sugar, and, looked at from an economic point of view, that was one of the biggest mistakes that the British Government could have made, for, as a matter of fact, as things turned out, the British Government later on was forced to buy enormous quantities of sugar in neutral countries at greatly increased prices and it is generally understood that the greater proportion of the sugar thus bought was in reality German sugar which had previously been shipped to the neutral countries in question. Very interesting details concerning the world's production of sugar have been collected in a pamphlet issued by the New York National Bank of Commerce, a *resume* of which will be found in this issue in our Book Department. One statement made in the pamphlet needs amplification; the Philippines are one of the insular possessions of the United States, and the sugar from there does not go to America but to Hongkong, where it is handled in two large and well-equipped British refineries. An extensive cane-raising industry is being developed in Formosa, the output of centrifugal from that island going mostly to Japan, where a preferential Custom rate puts it on a competitive footing with the product from Java, which is a much better one by the way. In America there is an extensive beet sugar industry, but this also received quite a jolt as a result of the war. It so happens that climatic conditions in the United States are such as to make it most difficult to produce beet seed and as a consequence the seed for American use has always been imported from South Russia, where the seed is of a particularly excellent quality. As a result of the war the Black Sea ports were, of course, closed, and internal railway communications in Russia were so wretched that it was all but impossible to move the seed from that region either to the Arctic Ocean port of Archangel, (whence ships at any rate could only sail during five months of the year and then ran six chances in ten of being sunk by German submarines), or to the Far Eastern port of Vladivostock. As a result of strenuous exertions, however, by a dozen or so of Americans who made trips to Russia solely for the purpose of buying and shipping beet seed, sufficient for last year's planting purposes was secured—it being imported into America, by the way, by the thousands of tons.

DURING the closing days of December, meetings were held at Washington by a Senate Committee to investigate conditions in the American sugar market. The so-called Sugar Trust is up in arms against the regulations imposed by Herbert C. Hoover, the Food Administrator. Claus Spreckels, head of the Federal Sugar Refining Company, in the course of his testimony stated that the sugar shortage in the eastern states of America would have been prevented if part of 110,000 tons in California had been shipped east to be refined; when several years ago refiners faced a shortage they went into the sugar markets of the world and scraped them, thus keeping their refineries running and the public supplied with sugar, but this was impossible under existing conditions, as the Food Administration had forbidden the refiners to buy sugar outside the country, which meant that they had to confine their purchases to Louisiana sugar. In reply to questions as to who owned the 110,000 tons above referred to, Mr. Spreckels replied that 70,000 tons of it were in the control of the Californian & Haiwaiian Refining Company, the leading spirit in which was George Rolph, a member of the International Sugar Committee of the Food Administration and head of the Administration Sugar Division. Mr. Rolph, in testimony given before the Senate Committee, expressed the opinion that there would be a serious world-wide shortage of sugar during 1918. Present figures indicate that the shortage will be about 400,000 tons, or 7 per cent of the estimated requirements, which have been placed at a low figure. The world's total requirements next year will be 6,170,000 tons, outside the Central Powers, while the amount of sugar available is 5,795,000 tons. These figures depend on a big crop in Cuba and the probability of obtaining cheaper freights from Java, where huge quantities await shipping opportunity.

IN view of the importance of maintaining and extending the export trade which America has developed within the past three years, the passage by the Senate recently of the Webb-Pomerene bill is most opportune, as the *The*

New York Times points out. This bill is intended to permit producers and exporters to combine for overseas trade and will enable them to meet the competition abroad of Europeans whose Governments encourage such combinations and, in the case of Germany, virtually subsidize them. The bill, which hitherto was passed by the House of Representatives in virtually the same shape, will now go into conference, and there seems to be no doubt of its speedy passage. The signature of the President is also assured. The opinion was held by many that the bill was unnecessary, the contention being that the ant-rust acts were only intended to apply to domestic trade. But it has been deemed best to have no doubt about the matter by having a specific declaration of Congress to that effect. Safeguards are incorporated to prevent combinations in interstate trade and against monopolies or extortions. Aside from the value of such an act to meet competition abroad against articles of American production, it will be of especial benefit to producers at home in preventing foreign buying syndicates from playing off one set against the other and so forcing prices down as used to be done in copper and other articles. It will be a good step in the work of preparing in America for post-war conditions.

THE REVIEW does not desire to set itself up as a political prophet, but we take the opportunity, in connection with Count Hertling's reply to President Wilson's statement of war aims, to remind our readers that on January 12, with reference to President Wilson's declaration that the wrong done to France by Prussia in 1871 in the matter of Alsace Lorraine should be righted, we stated: "This provision will be particularly distasteful to Germany, as it so happens that in these conquered territories are to be found some of present-day Germany's greatest manufacturing industries based upon the natural resources found there." Count Hertling's exact words, in dealing with this matter, were: "Under no fine phrases of any kind will we permit the enemy again to take the Reichsland (Alsace Lorraine) from us, which has been ever increasingly and intimately linked to Germanism, and which has in a highly gratifying manner ever increasingly developed economically;" and it will have been noted in the long telegram sent by Reuter's agency that this part of the German Chancellor's speech was greeted with loud applause. The *North China Daily News* of Shanghai, which is the principal exponent of British opinion in the Far East, in discussing the German reply says that "Allied comment, therefore, will consist of that two-syllabled essence embodied in the words, 'Fight on!'." This agrees with what the REVIEW stated three weeks ago: "With America's aims thus declared there can be no hope that a general peace is anywhere near in sight."

IN German Lorraine there is iron ore with a superficial area of 43,000 hectares (about 1,660 square miles), amounting to at least 1,800,000,000 tons. The actual output in 1913 was rather more than 21,000,000 tons or about three-fourths of that of the whole German Empire. There are also promising deposits of potassic or kali salts near Mulhouse, 6 to 30 feet in thickness, with a superficial area of seven square miles. The output of the twelve mines in 1913 was 350,000 tons, or about 2.65 per cent of the whole production of Germany, and it is probable that the deposits are really much more extensive, though the "potash crisis" of 1909 and the consequent limitation of output have checked further development. But potassic salts are almost a natural monopoly of Germany, though there are believed to be very promising deposits in Spain; and they are indispensable as a fertiliser and for various chemical industries, so that certain German papers recently declared that President Wilson really declared war to get cheap fertilisers for America! Then the Reichsland possesses coal, of which the output in 1913 was nearly 3,800,000 tons—which, though not 2 per cent of the total production of Germany, helps Lorraine to take the second place in her iron manufacture. Glass, chemicals, and paper are other important industries. Agriculturally, too, the provinces are very valuable, especially in regard to wine, tobacco, hops, and fruit; they are also the chief seat of cotton manufactures in Germany, and are a very important centre of her woollen industries.

IT is *apropos* at this time to discuss certain aspects of Germanism *vis-a-vis* the rest of the world. The day is now past when there is any sense in anyone saying that the war of the Allies is directed principally against Kaiserism, just as the time has long since passed to say that

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the German army is a mere machine that fights along mechanically regardless of existing circumstances. The fight of the Allies now is against Germanism, as such, backed by the German people. There can be little question about it that the most popular man in Germany to-day is the Kaiser, and if Germany by any chance should become a republic to-morrow, and an election for a President were to ensue, the chances are two to one that Wilhelm would be elected. As a matter of fact, as things stand to-day, Kaiser Wilhelm, bound down in his actions within the limits of the German Empire's laws, has less power than has been delegated by the American people to President Wilson, and to carry the argument a little further it would be quite within the realms of possibility, if Germany were to become a Republic, and if the Kaiser were to be elected as President of Germany, that one of the results would be for the German electorate to place as much autocratic power in Wilhelm's hand as has been delegated by the American electorate, quite willingly and in full confidence, to President Wilson. Harden's *Zukunft* put it exactly right: The spirit that animates the Germans to-day is: "Let the world know that it is Germany that strikes!" The only effective answer now is: "It is America that strikes!" and may her blows come quick and heavy. The really great battles are still to be fought and the possibilities of a peace being concluded are less remote now than they were in September 1914.

WE do not claim that the ideas expressed in the preceding paragraph have the virtue of originality, but it is interesting to note that sentiments in a similar strain were enunciated in London recently by so eminent an authority as Dean Inge of Saint Paul's Cathedral. Speaking December 13 at a conference of the British Council of the World Alliance for promoting international friendship, he asserted that the sword would be sheathed to-morrow if only nations were not so much afraid of one another. He said that the people of Great Britain would have to reject three principal propositions, and, in order to elucidate his arguments, the Dean continued:

"We were told that this war would never be ended until German militarism was destroyed. That program was always hopeless; we now see it is absurd. We cannot even destroy the German Army, and if we could we should not thereby destroy German militarism. You cannot break the spirit of a people by defeating its troops. A high-spirited nation only redoubles its efforts to perfect its military organization and burns with an ardent desire for revenge. If we were crushed in this war, should we acquiesce? Should we take it lying down? We know we should not, and neither will our opponents. Some still hope for the balance of power in Europe. If this means a return to the system of armed peace and diplomatic warfare, it will be intolerable and will be impossible. After this war Europe, exhausted and half bankrupt, will be pressed between the upper millstone of America and the nether millstone of Asia. This mutual suicide club will have to be dissolved. The disunited States of Europe will not be able to exist if they remain armed to the teeth in the face of the United States of America. There is a widely held notion that we may compel or persuade the Germans to change their Government and adopt a more possible Constitution, which we hope will make them less aggressive—and, we whisper to ourselves, certainly much less efficient. No nation in this war has shown more passionate loyalty to its Government than the Germans. Even their Socialists, so far from refusing to support the Government, have declared that this war has taught them for the first time that they are Germans."

THE Shanghai Municipal Council has taken the important and very necessary step of appointing a Health Committee to consist of three ratepayers and two members of the Council. Drs. J. W. Jackson and R. J. Marshall and Mr. H. J. Halse have accepted invitations to represent the Ratepayers, and Messrs White-Cooper and White have been appointed as the Council members of the Committee. Shanghai is at present the scene of the most virulent epidemic of smallpox that it has ever experienced, and there are also a great many cases of scarlet fever; on top of this there is the danger, very remote so far, it is true, of pneumonic plague. It was mentioned in the January 19 issue of the REVIEW in one of the editorial paragraphs that "it is an amazing fact when one comes to think of it that foreigners in this city, in a country notorious for its unsanitary conditions and the incidental inevitable outbreaks of virulent diseases, are exposed to exceptional dangers of infection simply because, out of deference to the Chinese inhabitants, regulations such as are enforced in America, for instance, are not enforced here." It is most important that at the present time all residents of Shanghai, foreigners and Chinese alike, should observe every possible sanitary precaution, and it is to be hoped that the new Committee will formulate regulations of a nature that will be enforceable, and adequate to meet existing conditions. It would have been a most excellent idea if one of the several foreign landlords who rent native houses could have been included on the Committee, as the sanitary conditions in some of the native houses which they rent are simply disgraceful. One of the reasons why Shanghai has to contend with these epidemics at present is that we have been having very fine weather of late; that is, there has not been any rain for a very long time, and the absence of dampness might be counted as a condition conducive to health. As a matter of fact, however, it has worked out just the opposite and there is more sickness in Shanghai to-day than there has been for years. The streets are in a

frightfully dusty condition, and in the Chinese sections of the city are even filthier than usual. The Municipal Council has vetoed a proposition to improve street cleaning methods in Shanghai on the ground that the expenditure of the required Tls. 36,000 annually is not warranted; and as a pure business proposition that is probably true. However, one could wish that the rainmakers would pay Shanghai a visit.

"The Spirit to Lose" in China

THERE has been organized in Peking a society composed of Chinese returned students, other younger Chinese, and a few foreigners in government service and business life in the capital that is known as the Society of Constructive Endeavor. Although the organization has been in existence but a few months, similar organizations are now being started in Changsha, Canton, Shanghai, Hankow, Tientsin and at Chungking, and in addition there is a probability that branches will be formed at the larger government and mission schools in China. Although a few foreigners are admitted to membership, they will hold no offices, the society being a Chinese movement throughout.

The object of the society as set forth in the constitution is as follows: "In recognition of the great need of constructive work designed to better the conditions of our people and country, it is the object of the society to initiate and encourage Constructive Endeavor, in whatever manner may be found practical and effective. The Society being absolutely non-political will moreover refrain from permitting itself to be used to advance the personal interest of its members or any individual." The charter members of the Peking branch are as follows: Mr. T. C. Sun, chairman, Director of the Chu-Chin and Chow Hsiang Railway; Mr. C. S. Liu, secretary, Chief of Audit and Accounts Section, Railway Department, Ministry of Communications; Mr. H. Y. Hu, treasurer, Chief Clerk, Railway Department, Ministry of Communications; Mr. Ngan Han, Chief Clerk and Assistant Director of the Forestry Bureau, Ministry of Agriculture and Commerce; Mr. H. J. Fei, Chief of Section of Miscellaneous Affairs, Peking Hankow Railway; Mr. T. Y. Chang, Editor of *The Peking Gazette*; Mr. Y. L. Tong, Professor of Tsinghua College; Mr. C. C. Wang, Councillor of the Ministry of Agriculture and Commerce; Mr. N. C. Yang, Professor, Tsinghua College; Mr. Y. T. Tsur, former-President of Tsinghua College; Mr. L. K. Kwong, Professor of Tsinghua College; Mr. T. Y. Chen, Naval architect of the Ministry of Navy; Mr. C. Y. Chiu, Secretary of the Chu Chin and Chow Hsiang Railway and the Tientsin Flood Relief Administration; Mr. A. W. Ferrin, member of the American Legation; Mr. J. N. Strong, General Manager of E. W. Frazar; Mr. Julean Arnold, Commercial Attache, American Legation; Mr. J. L. Childs, Secretary of the Peking Y. M. C. A.; Mr. E. L. Hsieh, Agricultural Expert in the Ministry of Agriculture and Commerce.

The foreign members act as an advisory committee and are elected in the same manner as the regular Chinese members. Those in the Peking chapter are of American and British nationality, but it is not the plan to place any restrictions at all as to the nationality of the foreign members of the various chapters. The constitution further states that the main activities of the society are investigation and publicity, to the end of benefiting the industries of China and improving the living conditions of the people of China. It is the purpose of the society to always keep itself in the background, always striving to be of service to China without attempting in any way to promote either the society or any individual in the society or outside.

Here's an example of the kind of work that the organization is performing: There is great demand in many parts of the world for Chinese rugs, but because of the disorganized condition of the industry, the shortage of dyes, and the ignorance of many of the native manufacturers as to foreign demands, the whole industry is suffering. Through a committee that the Society of Constructive Endeavor appointed, a census of the entire carpet and rug industry of North China has been made. Prizes were offered in the various Chinese schools for new designs for Chinese rugs. Skilled chemists were consulted as to the possibilities of reviving China's old native dye industry. Foreign buyers were interviewed as to the styles and types of Chinese rugs and carpets for which a demand in foreign countries exists. After all this material had been accumulated, it was printed first in English and then transalated into Chinese and distributed to the manufacturers, and an effort is now being made to organize the manufacturers into an association or guild, so that the work of improvement may be continued by the manufacturers themselves.

Other lines of endeavor in China that the society is now engaged in investigating, are the various Chinese Chambers of Commerce, the matter of afforestation in China, the matter of publishing guide books for Peking in order that the stay of foreign visitors in the capital may be made pleasant and interesting, a special committee that visits the hotels and extends greetings to tourists, especially business men who are in China for purposes of business investigation and investment, the matter of compiling statistics dealing with China's native industries and resources, means and methods for employing the thousands

of flood refugees who are now being supported by the various Flood Relief Organizations, and many other things of benefit to China. This is for the Peking organization alone. Organizations at other points in China will study methods for improvement in their own localities, and each will benefit from the experience of the others. In this way, much good is bound to result for the whole country.

With destitution in one part of China caused by a flood; with a plague in another part of the country causing great loss of life and treasure; with other parts of the country in a political revolt that threatens the existence of the nation; it is encouraging indeed to find a group of real patriots in the capital city who are working to help China without materially helping themselves. Truly we may believe that the spirit of self-sacrifice that is coming so nobly to the front in other parts of the world as a result of the war, is finding its way into the Republic of China. In America, for instance, presidents of banks have given up their positions to serve the government without salary during the war. In China now are a number of business men from Great Britain who have come to China to serve their country at salaries scarcely sufficient to pay for their food and clothing, while their businesses at home are being managed by clerks and subordinates. The same condition exists in France and other countries.

It's the spirit to lose personally in order that a greater and larger good may result, and it is refreshing to find that the same feeling exists in China, although the average foreigner who forms his ideas of China from the news accounts of battles and plagues and disasters will contend otherwise. It is but natural that the spirit to serve exists in a greater measure among the younger Chinese, and especially among those who have been educated abroad, but it also exists among the older Chinese, a recent example of which is the offer of Mr. Chang Chen-fang of several million taels toward the relief of the Tientsin flood sufferers, although he himself is in prison serving a life sentence because of alleged political activities in connection with the recent attempted restoration of the monarchy.

From all outward appearances China is now on the brink of a precipice. From surface indications the entire country is bordering on a state of anarchy with a few individuals standing out and fighting for selfish interests, regardless of the critical stage of the world and lack of patience existing in many quarters to let China work out her own difficulties. But to the person who looks beneath the surface, there is that large group of business and professional men who believe in China and who are working to unite the country and place it in the front rank of nations to which its resources, population, and territory justify it. They will win in China just as they have won and are winning in other parts of the world, because the spirit to lose does exist in China. And to this end we can do no better than to quote from a recent editorial in the *Chinese Students' Monthly*, issued by the Chinese students who are being educated in the various institutions of learning in America. The editorial follows:

"There are many things that we can learn from America. One of these is the *spirit to win*, and another is the *spirit to lose*. Before a presidential election, all the candidates may make known their party platforms and their own future policies, point out the mistakes of their rivals as exemplified in their past records, and may even bring forth strong accusations against them. As soon as the election is over, however, the defeated candidates send congratulatory messages to their successful rival, regardless of personal or party prejudices. There is no more kicking or torpedoing from behind. On the contrary, they give him a fair chance to make good in the future, however unsatisfactory his past records may have been, and offer him their services in time of their country's need. When Mitchell was told last month that Hylan had been elected Mayor of New York City, he at once exhorted the people to "support the new mayor." It is this *spirit to lose* especially that we should learn. One class of people may at once become disheartened after a defeat. They think they have only one chance in life and now that chance is gone forever. Instances of this kind are not rare in history. Many men, who would otherwise have become useful and prominent, have fallen victims to this suicidal way of thinking. A second class of people refuse to give their rival any chance to make good and work for his downfall immediately after his election. They kick at all his policies, whether good or bad, and find fault with all his activities. They do not realize the difficulties of the incumbent of an office, and are ready to condemn without making investigations. When they are asked to suggest remedies for the situation they deplore, they generally find little to offer. China is cherishing great hopes in us. Let us bring back to China at least this one spirit—the *spirit to lose*. Defeats are sometimes the stepping-stones to victories; failures are often the predecessors of successes. When we win, let us remain calm and be more willing to serve. When we lose, let us hope for the future. As long as there is hope, there is life. As long as there is life, there is opportunity to win."

J. B. P.

A Defense of Chinese Patriotism

BY IDA KAHN, M. D.

PESSIMISM is running riot in the world just at present, and nowhere is it more rampant than in China, unless we except Russia. And the world has reason to be lachrymose, while China has just cause for weeping and gnashing of teeth. That, however, may not justify Messrs Walter Lipman, Washburn Child, William J. Ellis, and other men of like caliber, in flaunting the weakness of China and in propounding drastic measures for curing her troubles. America has just gone into the war to uphold "the rights of small countries" like Belgium, and yet, according to these Americans, she should step in and straighten the affairs of a great nation like China just according to her own ideas of the right, and Japan should be called in to help, because she has "a special interest" in China. All this since China is not safe enough to trade in, and her people are lacking in patriotism and cannot produce a stable government; whereas the Japanese are most patriotic and their country has such a firm government that it is the Mecca of traders. Thus these gentlemen wish her to maintain the Open Door Policy in China, as she is doing in Korea. However, even four hundred million "brutalized human beings" may turn like the traditional worm, and then what would become of the peace of the world?

Prate to us no more of Japanese patriotism. We have had enough of it such as it is. "All is not gold that glitters," and Jingoism has passed often for patriotism. If Japanese patriotism cannot prevent her people from flooding the markets of China with millions of shoddy articles so that now the very name of Japan stands as a synonym of unreliability, then preserve us from such patriotism. Contrast all this with the painstaking care with which the Chinese delve in their handiwork, day and night, and you have a fine illustration of the two kinds of patriotism. One, blatant and cheap; the other, silent and sterling. Go to the shops anywhere in China and you will hear this question asked: "Is this Tung Yang Huo—Eastern, or Japanese merchandise?" And the prompt answer follows: "No, this is Hsi Yang Huo—Western merchandise." And the Chinese have just cause for asking these questions.

We have a small porcelain clock, a present, in our hospital which bears a European trademark. It has been ticking regularly for ten years and it is going pretty well yet, though it has never been repaired. We have also several Japanese clocks which cost the same price, and though these were much handsomer in appearance they had not gone ten months before they needed repairs, while soon not even repairs would make them go, and now they are merely ornamental junk. Here we have one specimen of the difference between Japanese and Western merchandise and such examples could be multiplied. And now to get over the difficulty which poor work has created, the Japanese are borrowing American and European trademarks. That may be good patriotism since it is appropriating to one's own country what is good in other countries. Again, what splendid patriotism it must require to come to China and embroil the people politically, and then as a mere measure of self-defense take possession of the land as they are doing in Manchuria and Shantung. Such patriotism must illuminate the glory of Japan, and her children have shown like valor, in the line of statesmanship, in their dealings with the Chinese.

Of course, China deserves to be conquered. Such stupid, inarticulate creatures, without any gumption, ought to be swept away from their patrimony and the brave descendents of the Samurai left in possession of the soil. Since the latter have the might, of course they must be right. Alas! All premises do not work out to the same conclusions. And since in character we are the very antithesis of each other, and in temperament we are diametrically opposite, and in training we differ *toto caelo*, then how are you Americans going to judge us fairly and kindly as you would wish and as we might hope? You say in one breath that we have no *amor patriae*, and in the next you decree that no Chinese shall become American, for on account of their intense devotion to their own soil they must even have their bodies shipped home for burial, and they cannot enter into the real spirit of American life. Which is the parody and which is the truth?

Is it so easy for a vast landed empire to pass in the twinkling of an eye from the absolutism of the Middle Ages into the democracy of the twentieth century? We must remember that China is still under the absolutism of military rule even if she is in name under a republican regime. Real democracy is the fruit of Christianity and China is still pagan. How can you expect to gather ripe fruits of democracy in her government? Give us time and Christianity, and we shall give you solid progress, such as a stable government and freedom from graft. When you have half a dozen foreign powers domiciled in the capital, and all aligned on the side of Japan, how can a small group of men act independently, there being no laws of the land to protect them, and it is so easy to be arraigned for *lese majeste?* That all are merely afraid of losing their lives we do not admit, for too many have laid down their lives during the revolutions and during the Boxer trouble to permit us to believe

that. Was it not during 1900 that two high Chinese officials laid down their lives for their country because they disobeyed the order of the Empress Dowager to "strenuously exterminate" the foreigners? In so doing they were only serving their country according to their light. Was it not indeed more noble thus to sacrifice their lives than to commit suicide upon the death of their emperor, as did the Count and Countess Nogi? Yet the loyalty of the latter has been lauded to the skies, while the patriotism of the former has seldom been mentioned. In spite of our "insufferable self-complacency" we have not been specially given to publicity movements, and therein we may have suffered much in public estimation.

We must remember also that the Chinese have always been taught to value mental worth and not physical prowess. One proverb says: "The superior man moves the mouth, but the mean man his hand," and so firmly has this teaching been inculcated upon us that to this day the profession of arms is rated very low indeed in the country. And when we realize that the military greatness of Rome did not save her empire from crumbling, perhaps we may appreciate better the inherent love of their country which the Chinese must possess. Does not the Bible say, "Blessed are the meek; for they shall inherit the earth," and we are the largest nation which has retained its integrity since time immemorial. Perhaps if we had been given to too much fighting we should have lost our country. If Japanese patriotism is so much better than our own, then in the ages to come, they will deserve to claim our fealty and the Chinese will be the last ones to say them nay.

All over China there are women, young and old, who bear on their bodies large disfiguring cicatricial scars, and these have been caused by their digging out with their own hands their tender flesh in order to serve it up as a dish for their father or mother, as the case might be, so that their disease might be cured. The deed was always done in silence, with a knife or scissors, for were it known whence the flesh came the charm would not work. In some cases pieces were even removed from the liver and one missionary reported having cured such a patient. This silent act may serve in one sense to typify the devotion of the Chinese to their country. It may not be articulate and it may not be just right but it is there. All during the Revolution men counted it as nothing to chop off their own fingers and write solemn pledges in their own blood, and they have redeemed these promises even to the laying down of their lives for the cause. Far from being pure braggadocio, it was simple patriotism expressing itself only as it knew how.

And now since in the twentieth century we must prove our patriotism by the shedding of blood, let us hope that we shall do that swiftly and well, and not in a niggardly fashion.

We shall be glad if America will lead us. We have joined the Allies because she did, and we are going to send troops to France because she has. Let us hope that we shall get there before the Japanese! May our officials hustle for once in their lives! Our patriotism requires us to be faithful to our Allies. We have no neighbor's lot to patrol and we have plenty of human material, so we may be able to show our patriotism in a tangible manner. Some of us women would like to go as nurses and perhaps we may be able to do so if some of our American friends will help us to organize as a medical unit.

The very fact that the Chinese are fond of the Americans proves our patriotism, for America has treated us best, as witness the official correspondence of the various nations with China during recent years. It is not only the students who are strongly imbued with pro-American tendencies, but the bulk of the people at large make a distinction between Americans and other foreigners, believing that Americans treat us not as a conquered race. Let us say frankly that it has been no pro-German propaganda that has made the Chinese heretofore so lukewarm in their regard for the Allies, but the arrogant attitude taken towards us by many of them. We tacitly took it for granted that those who were not for us were against us.

At present we are weak but we have the elements of strength in us and when we have absorbed more Christianity, our inherent patriotism will become manifest in a higher type than in bygone years. We will know then that we can serve our country best by being true to duty, each in his own sphere.

Will Not Be Found Wanting

The American people have not refused anything that is needed for the war.

The Government asked them for 1,500,000 men, and the men are in the camps or on the fighting line.

It asked for ships, and $2,000,000,000 worth of ships are under construction.

It asked for money, and money has been forthcoming with absolutely no stint.

And now it is asking for food, and out of their wealth the American people will give food as generously and effectively as they have given everything else needed in connection with vigorous prosecution of the war.

Food makes the most direct war contribution, apart from men—one that touches every home every day.

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Chinese Troops in Europe Will Solve the Difficulty

A CHINESE army for Europe!

This is a subject that has been discussed for several months in an academic way; but, outside of Peking, few foreigners, or Chinese either for that matter, have considered the matter seriously. Now the matter of sending a Chinese army to France to shoulder a part of the burden of democracy is a very strong possibility and that in a comparatively short time.

Here's where the matter stands:

China wants to send an army of at least fifty thousand men to Europe because she wants to demonstrate to her allies that China is in the war and that her heart is in the right place.

The Allies have signified to China that a Chinese army would be welcomed on the fields of France.

France has informed China that she will, in cooperation with the Allied shipping arrangement, provide the necessary ships and tonnage to move the army to Europe and provide tonnage for supplies.

The United States Government is especially anxious to have China send an army to Europe to take its place alongside the American army, and to this end is understood to have agreed to supply the necessary money to finance the enterprise.

So there the matter stands. The only handicap is the present political disorder in Peking and this may be well on the way to a settlement by the time this appears in print. The arrangements would have been completed and the Chinese expeditionary force already in training, had China been in a position to make the necessary arrangements regarding the disposition of the funds to be supplied for the purpose and the matter of training the army for service in France. In the last few days a plan has been completed which it is understood has the approval of the Allied Legations in Peking and their home governments, so we may all see a Chinese army in Europe before the close of the year.

A Chinese Army in Europe standing shoulder to shoulder with troops of France, America and Great Britain! That's something to stir the imagination of China and to awaken in her that feeling of Nationality that now seems so strangely lacking in the present political disorder through which the country is going. Some have stated that China should not send an army to Europe until she has settled her home affairs. When the matter is considered the other way around, a Chinese army in Europe will do more to settle China's home affairs than any other single thing. China's great difficulties at this moment may all be traced to the principle of "balance of power." The North and South are in more or less of a dead lock. The military tuchuns are all about equal in strength and all are naturally jealous of their own powers and afraid of each other. The South is also divided, until with one or two possible exceptions there is no "Strong Man" in China, and in the mix-up there is nobody who represents China. There is no observance of law because there is no law in the land. Right now, China is almost in the position of Japan under her feudal system of a comparatively short time ago. Japan could not advance until her feudal system was broken down and her feudal barons made to acknowledge the supremacy of the central government. Exactly the same thing must come about in China and there is nothing that will bring it about quicker than the matter of sending an army to Europe. The Japanese who for a long time were thought to oppose the matter of sending a Chinese army to Europe, have now come to the same opinion as the other countries in the Allied cause.

The important point in the entire matter is that it should be attended to at once. The American army is now being transported to Europe at the rate of one hundred thousand men a month. By March it is hoped to increase the number to one hundred and fifty thousand a month. New standardized American ships are now being launched weekly, and by the middle of the summer they will be launched practically at the rate of one ship daily. By August or September when the Chinese army is in condition for transportation, there will be the Canadian route.

There are now in France about 75,000 Chinese coolies. It is planned to double this number before the end of the year. All reports, agree that a finer group of men exists nowhere, and although positive orders have been given to the officers in charge of the coolie battalion not to drill them, it is practically impossible to prevent them from taking on the mien of soldiers. What is more natural when they see the finely drilled armies of Britain, France and America every day in France? The same thing will happen to the Chinese army. With proper training in China before the soldiers depart for Europe, and then with intensive training in France before they take their places in the lines, China will have an army that she can be proud of and in which she may well take pride.

Then when this army of soldiers and these battalions of coolies return to China, China will have trained citizens that will belong to China. They will be men whose allegiance belongs to China.

This will settle China's internal difficulties—not because of the power that these men will wield, but because of the knowledge that they

have the power and education for use, should the necessity arise.

The matter of sending a Chinese army to Europe has nothing to do with China's present internal difficulties. It's a separate problem and it's a problem that should have the earnest attention of every right-thinking foreigner and of every Chinese, whatever his political beliefs or affiliations. This is the job in hand that should be attended to.

J. B. P.

The General Electric Co. and China

THE General Electric Company of the United States is one of the leading manufacturing enterprises in America and a company that has very large interests in the Orient, and very large plans for future development in China, Japan, and the Philippine Islands. The General Electric Company first engaged in business in Japan about twenty years ago, and ten years ago went into partnership with the Mitsui organization in the manufacture of all kinds of electric materials and equipments—a field that has had much to do with the great development of modern Japan. The enterprise was a cooperative matter throughout, and from all reports has been highly successful and satisfactory to both parties.

The General Electric Company is now planning to engage in business in China and is said to have in mind factories for the manufacture of electrical materials and equipments in various parts of the country. In connection with these enterprises, Mr. M. A. Oudin, who has charge of the foreign department of this company, last year spent several months in China gathering information as a basis for extensive investments in this country. Upon Mr. Oudin's return to New York last summer he delivered a speech on China before a large group of American manufacturers, in which he showed a profound sympathy for China in her present period of transition from an absolute government to a democracy and in the course of his address said that what China now needs is a free opportunity to work out her own destiny, as otherwise the development of the country might be arrested for many years.

Japan is of course awake to the fact that American manufacturers and financiers are now making plans for the extension of their enterprises in China, so she is working to the height of her ability to be taken into partnership in this connection; hence the various commissions that she is sending to America for all manner of schemes and plans for cooperative enterprises in China. At present the financial commission under the leadership of Baron Megata is in America and from all published accounts of the purposes of the visit, the Japanese are now urging a half-and-half arrangement,—that is, an equal division of capital, with American engineers and contractors in charge with Japanese engineers as assistants, and so on.

On December 20, the Megata Commission gave a banquet in New York at which Mr. Oudin was the principal speaker, and because of Mr. Oudin's familiarity with China and the present plans of his company for enterprises in China his remarks are of the highest interest in this country. The most important thing that Mr. Oudin said was:

"It is generally recognized that in the case of enterprises having their field of activity in China, the good will of that country is a valuable asset which must be reckoned with. To take China into international partnerships formed for the exploitation of her resources and the development of her industries without consulting her would be no more just than it would seem to be good business."

Other parts of his speech of interest in China and the rest of the Orient follow:

"One of the principal aims of the war, as an illustrious Japanese has recently said, is to 'secure for the world the blessings of liberty, justice and lasting peace,' but it would be folly to ignore the fact that nations must equally struggle at all times to preserve their relative importance as powers or even their existence and to doubly prepare for this struggle in times of war. The success or failure of such a contest hangs on their economic development, which again in the last analysis is measured in terms of international trade and determined by the character of international trade relations.

"We know that our common enemy is fortifying himself for the coming struggle during the period of re-adjustment after the war by every possible means. He is today more active in the preparation for the re-establishment of his oversea trade than ever before in his history. A coordination of effort between friendly nations should enable us to meet this threat, to soften the asperities of commercial rivalries and to remove distrust of the motives underlying the commercial activities of one another. While avoiding international commercial pacts and trade conventions of a discriminating character as opposed to the democratic ideal, and which for obvious reasons are tactless as well, cooperation between the business interests of friendly nations is as natural and proper as partnerships between individual friends. We have read in the press in the last day or so, of a conference between American and British trade organizations in Shanghai (also Peking), with

the view of furthering commercial combinations in China. It is to the interests of American and Japanese business men to examine the possible advantage of similar discussions. Of course it would be difficult, if not impossible, to establish a formula for cooperation between nations in outside countries. It is fundamental that one principle be applied which ordinarily shapes the formation of partnerships, and that is, what can the other fellow bring into the firm and what is its value in the business? On this basis in any given proposition for international cooperation, it might seem wise for the group representing the interests of one country to combine with the interests of any one or all of the other groups, or if the participation appeared disadvantageous or undesirable it might possibly be wise to go it alone. The same freedom of action would be the privilege of all the interests."

Notes From Peking

Chang Hsun, who since his fateful attempt to restore the boy-Emperor to the throne, has been making his home in the Dutch Legation in Peking, recently celebrated his birthday. To show his appreciation of the hospitality that has been accorded him, he is reported to have given each of the officers of the Dutch Legation Guard a present of fifty dollars, and each of the Dutch soldiers stationed in Peking a present of five dollars. Several weeks ago it was erroneously reported that Chang Hsun had been spirited out of Peking and had been banished by the Chinese Government to Madagascar. The Chinese Government evidently feels that he is safer here in Peking where he can be watched than at some distant point where he might cause trouble.

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Mrs. Paul S. Reinsch, wife of the American Minister, accompanied by several other ladies of the Legation, has gone to Manila where she will remain until after the carnival.

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Owing to the present scarcity of tourists in Peking, the Chinese vendors of curios who infest the lobby of the Wagons Lits Hotel are more persistent than usual—if that is possible. Absolutely genuine "curios," the genuine antiquity of which is admitted by the sellers, may now be purchased for a song, or at least for a song when accompanied by a certain amount of silver. Recently one of the vendors of Chinese beads was trying to sell a visitor a string of "absolutely genuine" turquoise beads. He wanted twenty-five dollars for the string. The foreigner, to get rid of the hawker, offered fifty cents for the string—and got it—so quickly that he is now wondering whether he paid too much.

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Work has now started in earnest on the automobile and wagon road between Peking and Tientsin, or at least on that section connecting Peking and Tungchow. One of the engineers with the Siems-Carey Company is in charge of the actual work of construction.

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There is no place in China that equals Peking in the matter of serving Chinese food in an up-to-date style. Every Chinese restaurant of importance has its specialty in the food line and is known all over the Capital because of its special advantages. One of the most interesting specialities of one of the Chinese restaurants is its ability to serve the flesh of the duck in new and strange ways. This restaurant is said in Peking to be able to serve duck in more than one hundred different ways, two of the novel dishes being composed of the tongues of ducks and the webb from the feet of the duck.

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On the outside of one of the heavy steel gates guarding Legation Street from the rest of Peking, there are three rusty spots where the paint has been knocked off. These spots were caused by three shots from a machine-gun that struck the gate during the fight a few months ago when Chang Hsun's soldiers were overcome. About a foot below the spots where the shots struck the gate are three peep-holes about four inches in diameter. At the time the shots struck the gate, three foreign newspaper-correspondents in Peking were peeping through the gate in order to get some color for their articles dealing with the attempted restoration. They got it.

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An American curio buyer, who in the last three years has purchased many thousands of dollars worth of Chinese porcelains, jades, brasses, etc., in Peking, was asked what special Chinese article now has the greatest sale in America. His answer was that Chinese snuff bottles are now selling in America like the veritable "hot cakes." These snuff bottles have now practically gone out of use in China, owing, perhaps, to the adoption of the modern cigarette in place of snuff. In spite of the fact that snuff has gone out of use, the bottles still persist by the thousands, in fully as many different designs. The most expensive are those in jade, crystal, ivory and amber. One carved from jade-stone recently sold to a wealthy collector in America for the small sum of five hundred dollars gold.

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An interesting plan of reafforestation and beautification of Peking is being carried out through the planting of trees and shrubbery on top of the Great Wall surrounding the city. Many of the trees are now twelve or fifteen feet tall and seem to thrive in the soil that has accumulated on top of the wall in the last eight hundred years. Alongside the trees is a driveway about eight feet wide which extends without interruption, except at the towers over the gateways, for the entire extent of the wall or fifteen miles. It is possible to ride a donkey, or ride in a ricksha entirely around the city. Were this wall in America some adventurer would attempt to ride around the wall in his Ford and thus gain national notice alongside the film stars and baseball heroes.

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China's present shortage of silver is noticeable in Peking to the casual visitor in the shortage of ten-cent

pieces or Chinese dimes. At the average exchange shop it is next to impossible to talk the "banker" out of any dimes, so as a result the ricksha men are happy, for the average person would rather pay twenty cents than freeze his hands in counting out ten coppers.

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Strange as it may seem to the residents of Shanghai, ten degrees above zero in Peking is not as cold as forty degrees above zero in Shanghai. It is the dryness of the atmosphere that gives Peking the most delightful winter weather of any place in China. For several months during the winter scarcely a cloud crosses the sky and the air is most bracing indeed. Occasionally however there is a "fly in the ointment" in the form of a dust storm that sweeps over the city from the Gobi desert that fairly fills the atmosphere and penetrates the tightest of houses. This explains why your host at the Chinese restaurant always provides each guest with several paper napkins to wipe the sand out of his dishes and off the chop sticks.

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W. Whiffen, who has been the Associated Press correspondent at Petrograd, has recently been transferred to Peking where he is now on duty, his place in Russia being taken by Mr. Charles S. Smith, formerly in Peking. Mrs. Whiffen, who has been visiting in Shanghai and in Japan, has joined her husband in Peking. When Mr. Whiffen was asked why he and Mr. Smith had exchanged posts, he said that evidently the A. P. manager in America thought that since Mr. Smith is unmarried, it would be safer to have him in Russia under present Boleshviki conditions.

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One of the most interesting experiences that the visitor has in Peking, is to attend a dinner given by Chinese, the younger Chinese, and to find that they have attended colleges and universities in all parts of the world. Recently at one dinner there were twelve returned students, and in the number were four from American universities, three from Great Britain, two from the University of Paris, one from Germany, and two from mission colleges in China. One cannot help but wonder at the future result for China at this meeting of the best learning from all points of the compass.

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There is one Chinese theater in Peking where the actresses are really "women" actresses and not men dressed to take the parts of women. The theater seats about a thousand persons and it runs to crowded houses from early morning until late at night, and from one end of the month to another. Many foreigners, especially tourists, attend this theater and marvel at the interest that the Chinese audience takes at the never-ending performance. Hundreds of Chinese women attend the theater, but they are "segregated" in a section to themselves and are not permitted to sit with the Chinese men. Chinese come to the theater early in the morning and stay until late at night and have their meals sent in to them—exactly as the old English audiences are said to have done at the time Shakespeare's plays were first produced in England.

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Here's a "tip" to the person who desires to visit Peking at low expense: The banknotes of the Bank of China and of the Bank of Communications at Peking are now so depreciated that they sell for about sixty-two per cent of their face value. In order to bolster up their value, the various Chinese railways have agreed to accept them for transportation at their face value. Thus the person who possesses banknotes from the Bank of China or the Bank of Communications at Shanghai or of any of the foreign banks for that matter in China, can save about forty per cent of the cost of a railway trip by first purchasing "Peking" notes and then using them to purchase railway tickets. They are also said to be good for face value in the purchase of stamps at the Chinese Post office—which is another money-saving "tip."

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For the benefit of shivering Shanghai citizens who are hovering over their little grates where the precious lumps of $35 anthracite are burning, here are the prices for coal in Peking: Household lump, $7.60; No. 1

GOING!

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There has been much comment in America in the last few years on the subject of Church advertising, the idea being that the work of a church should be advertised in as thorough a manner as a business—and it has been done by many Churches in the United States who through intelligent publicity have increased the influence and scope of the church. That China is not behind in this matter may be gained from the following advertisement of the "church" in Peking, which has been appearing in one of the local papers as follows: "Notice—Commencing January 1, 1918, the Temple of Heaven is to issue an admission ticket to the Fasting Palace, Huang Ch'iung Yu, Praying Temple, etc., for all visitors. In addition they have prepared postcards containing the scenery of the Temple of Heaven as a present to the visitors. Signed, By Order of the Business Department of the Temple of Heaven."

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One of the first things the visitor sees as he enters the lobby of the Wagons Lits Hotel in Peking is a large sign which reads as follows: "American visitors are urged to notify the American Association of Peking of their arrival. Apply at the desk for particulars." At the hotel desk a blank form is provided with space for the visitor's name, his business, home address, and the date of his probable departure. After this has been filled in he returns it to the clerk who sends it to a "Greeting" committee of the American Association, which committee sees that the American visitor is shown all the interesting sights and has an opportunity to get acquainted with the American residents of the city.

Week's News Summary

THE WAR

January 24. The French General Malleterre believes that, owing to the dearth of foodstuffs and internal political differences, Germany will be compelled to launch an offensive on the Western front in the near future. He comments that such a battle is likely to be the last.——At the Brest-Litovsk conference when the Russian delegates asked the Germans to specify their positions regarding occupied territories, the German Chief of Staff drew his finger across a map to indicate that Germany would hold on to what they had occupied; as regards the Southern front the Germans state they would discuss matters with the Ukrainian Republic. In reply to Russian questions as to what would happen if these terms were not agreed to the German reply was that they would occupy Reval within a few weeks.

January 25. Ceaseless aerial attacks are being made by the Allies on the German (Turkish) cruiser *Goeben.*

January 26. A British Government statement shows that 11,000,000 troops have been transported without a single casualty.——An inter-Allied Supreme War Council is announced to meet next week at Versailles.

January 27. The Cunard steamer Andania (13,405 tons) outward bound with 40 passengers and a crew of 200, is torpedoed off the coast of Ulster. All on board took to boats and were picked up after an hour; the vessel sank some hours later.

January 28. U. S. Secretary of War Baker in an address states that America would have 1,500,000 troops ready for France during the year 1918.

January 29. Fifteen German aeroplanes hover over London for five hours and engage in the longest raid since the beginning of the war. As a result 47 persons are dead and 159 injured.——The British Admiralty confirms the German statement that the warship *Goeben* has been refloated.——Italian troops penetrate the German line east of Asiago and take 1,500 prisoners.——100,000 workmen in Berlin and other German cities go out on strike; they demand better food and more of it.

January 30. German aeroplanes attempt a second raid on London, but it proves a failure.——The British Admiralty's report shows 9 vessels over and 6 under 1600 tons sunk during the week.

CHINA

January 26. The Chinese Eastern Railway Administrative Office at Peking dismisses a large number of employees following upon greatly decreased receipts owing to recent disorders; the great majority of employees of the Railway shops had shown great neglect of their work, having spent their time attending political meetings.

January 27. The Central Hospital at Peking is formally opened in the presence of a large number of Chinese and foreigners.

January 29. President Feng Kuo-chang, who had planned a trip to Hankow, arrives back in Peking shortly after noon after having gone only as far as Pengpu; no official reason is given for the President's change of program but it is stated that the principal reason why he did not go further than Pengpu is that there are large bodies of hostile troops quartered just south of that city.——The *net* salt revenue paid into the Group Banks during 1917 was $70,627,249, a decrease of $1,813,310 as compared with 1916 but an increase of $1,349,713 as compared with 1915.

JAPAN

January 18. The Railway Council at an extraordinary meeting adopts in its entirety Baron Goto's project for the construction of 589 miles of cross-country railways in Japan to link the present trunk-lines; by a special appropriation of Yen 92,000,000, a total of Yen 217,000,000 is made available during the next ten years for the construction of these new lines.

January 22. At the sitting of the Diet to-day, Mr. Ozaki, the Liberal leader of Japan, announced the views of the Kenseikei (Opposition) party, regarding the Terauchi Ministry. He strongly denounced the Government's policy towards China, saying that the Ministry was constantly giving support to Tuan Chi-jui and other factional military leaders of northern China.

GENERAL

January 26. Count Hertling, the German Chancellor, in a speech replies to President Wilson's statement of war aims, the principal features of which are that England should relinquish Gibraltar, Malta, Aden, Hongkong and the Falklands; that the evacuation of Belgium was a matter for settlement at

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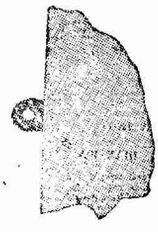

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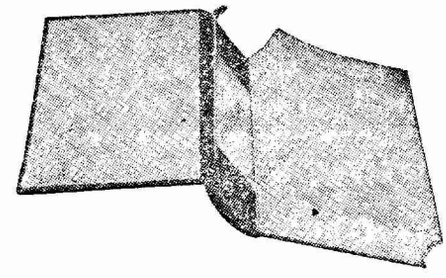

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MILLARD'S REVIEW

113 Avenue Edward VII, Shanghai.

the peace negotiations; that the occupied portions of France were a valuable pawn in Germany's hands; and that "under no fine phrases of any kind will we permit the enemy again to take the Reichsland (Alsace Lorraine) from us, which has been ever increasingly and intimately linked to Germanism, and which has in a highly gratifying manner ever increasingly developed economically."——President Wilson in a proclamation exhorts the citizens of the United States to the greatest economy with food in order to increase the shipments over-seas to the Allies, whose subsistence is largely dependent on the United States.

January 28. According to a telegram from Stockholm anarchy reigns in Finland, where there are continual clashes between Red Guards and White Guards; the sitting of the Finnish Diet has been broken up by Socialists.——Socialist deputies in the Reichstag severly criticize Chancellor Hertling's reply to President Wilson, saying that the present Government is doomed unless it changes its attitude.

January 29. Owing to the sanitary organization having broken down in Petrograd, due to proletariat interference, the city is being ravaged by typhus, smallpox and other infectious diseases.

America

In Chicago more than 1,000 saloons have gone out of business due to the war and the Sunday closing law.

Many miners in the anthracite coal regions, Pennsylvania, are working overtime and with extra pay thus earned are receiving as much as G. $300 a month.

The Appeal to Reason, published at Girard, Kansas, the pioneer Socialist organ in America and at times very rabid in its view, has espoused the "war of defence" of the United States against Prussian militarism, and changed its name to *The New Appeal.* Some years ago its editor was convicted (and pardoned) for having urged the kidnapping of a witness whom the Governor of Kentucky refused to extradite.

Thirteen negro soldiers were hanged at Houston, Texas, December 11, in accordance with a U. S. army court martial convened at that city. These men were members of the Twenty-fourth Infantry, and participated in riots last August. In addition to the 13 men who were hanged, 41 were sentenced to imprisonment for life.

A United States Tariff Commission is investigating the matter of establishing a free port in the port of New York with a view to making recommendations to Congress upon the subject. This free port would be a zone inside the port of New York where goods might be imported without paying duty. The goods could not be taken beyond the limits of the zone, however, without paying the customary tariff. The advantage of having an area into which foreign goods may be imported duty free lies in the fact that this makes possible re-exportation of such commodities to foreign countries. Foreign goods may be brought into such a zone and repacked for export or they may be included in consignments made up partly of articles of domestic manufacture and then exported. Raw materials from abroad may be brought into a free port and manufactured within the zone in industrial plants established for the purpose.

Men and Events

Thus the *Topeka* (Kansas) *Capital*: "A pair of Chinese brush-tailed goldfish are worth $1,500, but not to us."

Ivan Chen, the newly appointed Commissioner for Foreign Affairs in Shanghai, took over charge of the Bureau yesterday in succession to F. M. Sah.

Rodney Gilbert, formerly connected with the *Peking Evening Times*, is temporarily to act as associate editor of the *Far Eastern Review*, in charge of the Shanghai office of that publication.

"Bobby, an angel brought you a new sister last night," said the nurse to the little boy of five at the breakfast table, "Would you like to see her?" "No! but I want to see the angel."

Among the numerous American commercial travellers in China at present is L. Boggs, representing the Hupmobile Company, who arrived from Japan last week; he expects to stay in China until June.

The Chinese-American Company, whose advertisement appears in another column, have removed their office from Jinkee Road to the International Bank Building, No. 24a Kiukiang road, Shanghai.

Out of the fund of G. $5,050,000 announced December 10 by the Rockefeller Foundation to be expended for war work during 1918, the sum of G. $918,000 has been alloted for medical colleges in China.

The U. S. S. *Quiros* left Shanghai yesterday for a trip up the Yangtze. No official statement is made to this effect, but it can be conjectured that the trip follows as the result of the recent attack on the U. S. S. *Monocacy.*

Mrs. George L. Treadwell, of Brookline, Massachusetts, wife of the co-manager of the Chinese-American Publishing Company, and Mrs. J. R. Clair of East Orange, New Jersey, arrived in Shanghai yesterday on the *Empress of Asia.*

Approximately 100 houses were destroyed by fire on the Chinese Bund south of the French Settlement of Shanghai on the morning of January 30; among the properties destroyed was a part of the wharf of the Ta Tah Company, in which Japanese money is invested.

The death occurred at the Isolation Hospital in Shanghai on the afternoon of January 30, of A. L. Grieg, treasurer in China for the London Missionary Society. The late Mr. Grieg first came to China more than two decades ago for the Bible Society of Scotland.

An additional British member has been added to the Customs Tariff Revision Committee in the person of C. E. Anton, a member of the managerial staff of Jardine, Matheson & Co's Hongkong office. Mr. Anton arrived in Shanghai from Hongkong January 30.

The British Municipal Council at Tientsin has ordered all German firms in the British Concession to remove elsewhere; the principal German concern affected is the large printing establishment of E. Lee & Co., who in pre-war days were the publishers of the Hong List for North China.

The graduating exercises of the Hangchow Christian College took place January 19. The diplomas were distributed by Sen Lan-dien, a former graduate, with appropriate remarks. This college is under the able management of W. H. Stewart, the acting-President.

In another column will be found the judgment delivered by Judge Lobingier in the U. S. Court for

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China, January 29, in the case in which James MacDonell was charged with embezzling Tls. 3000 from the MacDonell-Chow Corporation. The defendant was acquitted.

Sir Richard Dane, head of the Chinese Government Salt Gabelle, has been making a tour of inspection in Kiangsu Province during the week. He arrived at Shanghai January 30 from Ningpo, and will remain here until the arrival of Sir Reginald Gamble who is coming out to the Salt Gabelle.

The death occurred January 25 from small-pox, of A. E. Matthews, of the Dollar Lumber Company's Tientsin office. Deceased, who came to China from the United States only about a year ago, leaves a widow and a six-year-old child. Mr. Matthews, as a Christian Scientist, neglected the ordinary precaution of vaccination.

The Mixed Court will observe China New Year from February 11 to 15, both dates inclusive. Following this, on Saturday morning, February 16, there will be four criminal courts in session to handle accumulated business. The British, American, Japanese and Italian Assessors will sit on that morning, instead of only two of them as is the usual procedure.

Commenting on the acquittal of Mrs. Bianca De Saulles for the murder of her divorced husband, John L. De Saulles, former Yale football star, in an editorial article entitled Are Women Above the Law?, *The Independent* (New York) says: "It has come to this. The trial of a woman for murder or for almost any serious offense in the United States has become a disgraceful farce and a waste of public money."

The death occurred during the week of "John," the native salesroom factotum of the auction firm of W. Funder & Co., where he had been employed for over a decade. His smiling face was known to nearly every householder in Shanghai, and he probably knew more about what furnishings there were in Shanghai households and the value of them than any other resident, whether native or foreign.

The *Seoul Press* relates a tale of a Korean woman who attempted to eat what seemed to her to be a cake, which her nephew had picked up on a neighboring mountain. As she chewed it, however, it suddenly exploded with the result that she was severely injured in the mouth. It was ascertained later that the article she took for a cake was a piece of dynamite, which had apparently been left in the mountain by a Korean hunter for the purpose of killing wild beasts. The police are now searching for the man, as such an act is in contravention of the law.

Among the numerous cases of violence that have marred the quiet of the Settlement of Shanghai during the past week or two, was that of a bomb being hurled into the offices of the China Merchants Steam Navigation Company on the Bund, which occurred on the afternoon of January 28. This followed a similar outrage of a week previous. No one was injured. Previous to these bomb attempts, Zia Zoong-sun, one of the China Merchants' officials, was in receipt of threatening letters, one of which demanded the payment of $3,000.

The American jail at Shanghai, which in previous years had been the scene of a number of "get-aways," is now empty, all the inmates having been transferred to Bilibid, Manila, the journey being made on the U. S. transport *Merritt*, which sailed from here January 30. The names of the prisoners are as follows: Pablo Sonico, a Filipino under eighteen months' sentence for manslaughter; J. Gookin, sentenced to one year for larceny; Clyde Beach and William Miller, who will serve three months for vagrancy; and William H. Darragh, who was given a year in connection with the slaying of a Japanese in Bangkok.

The Japanese authorities at Tsingtao, by a regulation put into effect January 14, have considerably relaxed the conditions for other than enemy subjects entering that port. Previously not only had a visitor to be furnished with a passport, but this passport had to bear a Japanese *vise*. According to the new regulations a passport without a Japanese *vise* is sufficient, and provision is also made for persons without passports to enter the city upon production of a certificate issued by Japanese consular or police authorities. In fact, visitors to Tsingtao are at present as a rule not questioned on the subject of their credentials.

Dr. Sherwood Eddy, the Associate Secretary of the Young Men's Christian Association in America, will address the American Song Service at the Palace Hotel Sunday afternoon, February 3, at 4.30 o'clock. Mr. Eddy was a passenger on the *Empress of Russia* and has just come from the States, where he has been helping the past year to raise $52,000,000 for the Y. M. C. A. He has spent two years at the front working in the Allied countries and was well received by Royalty in England. Mr. Eddy has come to China to assist in conducting an Evangelistic campaign to be carried on during the next three months.

A correspondent enquires for the meaning of the word "cadet" appearing frequently in telegrams concerning Russian affairs. The meaning of this word is the following: One of the parties in Russia are the Constitutional Democrats, the corresponding Russian words being very similar except that the first word is spelt with a "k"; the party is generally known by the initials K. D.—pronounced in the Russian language respectively "kah" and "deh" and this pronunication is practically identical with the French pronunciation of the word *cadet*. Hence the custom has arisen of using the word "cadet" as meaning the Constitutional Democratic party. This opportunity is also taken to explain that "Anzac" troops are the Australian-New Zealand Army Corps troops, the word "Anzac" being merely the initials of the official designation.

The long drawn-out Mixed Court case in which H. D. Rodgers, a member of the American Bar, sued a Chinese interpreter for $25,000 damages for libel on the ground that the latter had spread slanderous stories concerning the division of a large sum of money awarded at a recent Shanghai Race Club Meeting—the proceedings of which it may be mentioned in passing were of such an interesting character that they were printed *in extenso* in nearly all the daily newspapers from Singapore to Tokio—came to an end January 29 when a judgment was delivered making no award of damages, but making it clear that Mr. Rodgers had not acted in other than an absolutely honest way. Mr. Rodgers later made a statement to the effect that he was forced to bring the action in order to prove to the public that allegations concerning his actions which had gained great currency were not warranted.

The chairman and the secretary of the Cantonese Guild of Shanghai were summoned to appear before

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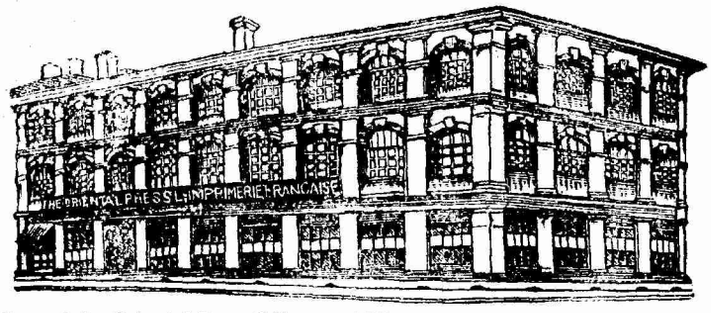

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Mr. Byrne, one of the British Assessors, and Magistrate Tsang, at the Mixed Court yesterday morning to explain a letter which had been handed in to the Court several days previously. The message bore the seal of the Guild. When the letter was brought to the attention of the Assessor he asked Inspector Wheeler whether it was a practise for influential Chinese to address letters of such a character to the Court? Mr. Wheeler replied that many such letters were being received, but generally no attention was paid to them. The letter from the Guild was in relation to a case before the Court in which five Chinese are charged with the larceny of $40,000 Bank of Communication notes, and the tenor of it was an attempt to influence the Court in the conduct the of trial.

The Plague in North China

Up to January 27, according to a telegram from Taiyuanfu, a total of 233 plague deaths had occurred in the Tuchun's jurisdiction. Ten deaths are stated to have occurred near Tangshan, situated about 20 miles north of Peking, where hot springs much frequented by foreigners are located.

How the Americans Have Changed

The American people have changed their money habits and are buying bonds; they have changed their ways of thinking about ships, and are building a mercantile marine; they have changed their views of peace, and are giving their men for the establishment of a real world peace.

And they are changing their habits in food. They eat corn instead of wheat, poultry instead of beef and pork, and are saving sugar and fats.

It has taken a little longer to organize this war contribution of food, chiefly because the matter was more complicated than other war contributions, and had to be brought home to more people.

But it has been brought home, and the food has begun to move to Europe.

In this great war work the American people are not going to be found wanting.

Troops in France Thrive on Wine and Rum

From The Statist (London)

The theory that alcohol, except that taken in excess, passes through the human body as does a cherry stone when swallowed by a child, has been demonstrated to be without foundation. British troops in Flanders, and the French troops operating to the south of them, find, according to the medical authorities, great assistance from the allowance of rum supplied to the British, and from the wine supplied to the French. It is stated in a report coming from the Front that these allowances of wine and rum assist in checking the spread of disease, in preventing frostbite, and adding to the well-being of the troops. It is a remarkable fact, commented upon by writers in all ages, that in the countries where wine forms a common natural part of the food of the population, excessive drinking, or what we call drunkenness, is almost wholly unknown. Palestine, Asia Minor, and Greece in ancient time, and France, Italy, and Spain in ours, are all conspicuous examples where wine has been abundant, and formed even for the very poor a part of their daily diet, but none of these countries either in the past or in the present was addicted to the vice of drunkenness. It is in those countries where wine and spirits are for the most part imported and are an expensive luxury that drunkenness has in all ages been most conspicuous.

Women's Work

Conservation of Food

In connection with an article that appeared in the Review on January 12, entitled, "Nanking Ladies to Hooverize," the following letter is being sent to a number of the large centers in China in the hopes of securing further information in regard to cooperative buying and adding any receipts utilizing Chinese food suitable for the foreign table in reducing living expenses. The committee having in charge this work have sent the following letter dated: January, 28, 1918:

"You possibly know that the Nanking Red Cross Committee on War-time Economy for the Household has been making a study of native products that can be substituted for many that heretofore have come from the United States, hoping not only thus to make it possible for many housewives in China to "do their bit" along the line of conserving food supplies and thus help directly in the prosecution of the war, but also in order to decrease the present very high cost of living which we have all been feeling. The results in this latter respect should be permanent.

The committee in Nanking, with the hearty co-operation of the American housewives and some of our American returned Chinese friends, have already collected more than 100 good recipes for dishes that can be made wholly with products from the street. Steps have already been taken to get these, along with much other valuable information, into book form. It is the desire of the committee that this book should serve as many people as possible, and it is with this idea in mind that we are writing for information from you to be included in the book, which we hope to publish early in the spring.

We are therefore asking you to place this matter before the housewives, in your community and ask them to contribute as many recipes as possible in which only Chinese products are used (with exception of such things as spices, baking powder, etc.). All these recipes are to be written clearly as per direction sheet enclosed. If the directions are followed carefully it will help the committee greatly as all recipes must be kept uniform, particularly as to measure, if they are to be of any value.

In addition to the recipes, we would be glad to receive any suggestions along the line of household economy or food conservation. If any one knows of any Chinese foodstuff not commonly used by foreigners, we would be glad to hear about it, the method used to prepare it and its Chinese name, (in ideographs.)

Will you please collect all this material together and send to us by February 18, 1918.

Sincerely yours,

THE COMMITTEE

Any additional information can be sent to the Nanking Red Cross Committee or Mrs. J. H. Reisner, the Univerisity of Nanking, Nanking, China.

Shanghai War Relief Supplies

The American War Relief Association of China shipped this week 7 cases of supplies, in bond, to the American Red Cross, New York. They were forwarded freight free, through the courtesy of the Robert Dollar Co., and the insurance was generously donated by Mr. W. S. Jackson of the Yangtse Insurance Co.

CONTENTS OF CASES.

Sweaters	105
Socks (pairs)	120
Mufflers	24
Wristlets (pairs)	20
Bed Wraps	19
Bed Socks	5
Many-Tailed Bandages	510
Abdominal „	435
"T" „	100
Head „	260
Triangular „	130
Absorbent & Oa Rum Pads	153
Gauze Compresses & Sponges	1730

FROM HANKOW.

Pyjamas	47
Bed Wraps	51
Bed Socks (pairs)	65

The American Red Cross Drive

The final result of the assistance given in the Shanghai Consular District in connection with the American Red Cross Christmas Drive for ten million new members (which resulted in a total of approximately sixteen million members) shows 3 patron members at G. $100.00 each; 36 life members at G. $25.00 each; 10 sustaining members at G. $10.00 each; 41 contributing members at G. $5.00 each; 98 subscribing members at G. $2.00 each; and 436 annual members (including 312 members of the American War Relief Association of China, approximately 65 of which are also individual subscribers); making a net total of 559 new members, whose subscriptions amounted to G. $2,159.80 (U. S. currency).

Miss E. R. Jansen, who was originally designated to receive American Red Cross subscriptions in connection with the American War Relief work and who generously consented to receive subscriptions for the Christmas "drive," received and turned in all the individual subscriptions except six life members at G. $25.00 each, one contributing member at G. $5.00, eleven subscribing members at G. $2.00 each, and seventeen annual members at G. $1.00 each, and mailed receipts for all amounts received by her. Should there be any instance in which due acknowledgement or receipt may not have come to hand for subscriptions in connection with this "drive," those concerned are requested to communicate to the American Consulate-General at Shanghai the amount, date, and manner of subscribing.

American Woman's Club

The Reading Circle of the American Woman's Club of Shanghai met with Mrs. William Morris, 63 Avenue du Roi Albert on Friday, February 1, at 10:30 a.m. A study of the "Iliad" was taken up.

War Relief in Tokio

The Women's University in Tokio held another bazaar at the school on January 23. Approximately Yen 3,000 of commodities have been purchased, including canned goods, vegetables, porcelains, toys, charcoal, and fruits, by the committee of the bazaar to be sold. The profits thus obtained will be given for charitable purposes.

The American War Relief Assembly of Tokio held at the Gaiety Theatre on January 18, resulted in proceeds of Yen 600.80

The Sunday school children of the Hiroshima foreign community of Tokio subscribed Yen 8 to the American Red Cross funds. It was received through Mr. Theodore Meyers.

Clothes to be "Hooverized"

"Women's clothes to be Hooverized," is the idea that comes from the Chicago Designers Association since the people have found out that they can exist on the meatless and wheatless days. Any woman can be properly and fashionably dressed for $300 a year, says the Association, as these are war times and the following figures show how it can be done. Three or four pairs of shoes, $20; three or four hats, $25; ten pairs of stockings, $10; one corset, $5; three pairs of gloves, $10; winter suit, $35; coat, $25; furs, $30; three or four shirtwaists, $20; miscellaneous, $130. Mr. Weiss called attention to the costly whimsicalities of women who thought they must have a dress to match the upholstering in their cars, wall paper, disposition, caprices and what not, with the result that closets, and trunks are crammed full of clothes that are seldom worn but once or twice. He says that any woman can be well dressed with two good suits a year.

"Quite a Homely Woman"

A slight difference in the English and American meanings of a certain word caused a temporary estrangement recently between a British hostess in Bubbling Well Road and her American guest, the latter having overheard the former say of her that "Mrs. So-and-So is quite a homely woman." In America this word is generally used in the sense of being anything but good-looking, whereas in England it is used in the sense of a person who is attached to her home and usually remains in it in preference to going out visiting. Mutual explanations eventually brought to an end what was for a time an awkward situation.

Women and Events.

New classes are soon to be started at Hunter College, New York, for women in wireless and land telegraphy. Fifteen women students have passed their examinations and have been granted licenses as radio operators.

Miss Elizabeth Duval, Baltimore, Maryland, has the distinction of being the first woman wireless operator to assume duties on the seas. Miss Duval sailed on her first trip as "junior partner," on the steamship Howard of the Merchants and Miners Transportation Company, December 4, for Savannah and Jacksonville.

Mrs. Mary Swartz Rose, New York, and Miss Martha Van Rensselaer of Ithaca, have been appointed by the Federal Food Administration to have charge of the Home Economics in New York State.

The Ladies' World, a monthly magazine in America, has suspended publication for the rest of the year. The high cost of materials, paper, and ink, has led the company to take this step.

Far Eastern Press Opinion

The Journey to Hankow that President Feng Did Not Make

From the Sin Wan Pao (Shanghai)

After the departure of the President from Peking, false reports were spread to the effect that a change in the situation was to be feared, but Feng Kuo-chang having returned to Peking these rumors have had to cease. Nevertheless the situation will change, even though there is nothing to fear at Peking. Feng Kuo-chang has conferred with the generals who are in favor of resuming hostilities and is said to have obtained good results from the steps he has taken thereafter. The Eastern News Agency (Japanese) states that the Peking Government is about to issue a decree ordering the Northern troops to fight a section of the Southern troops. If the Government at Peking declares war on Tan Hao-min it thereby severs relations with the south-west. The situation will be changed by the Government's abandoning the plan of negotiating for peace. It is said that the President, although he has just returned to Peking, intends to start out for Hankow again. Is there any necessity for him to go and fight, now that he has made this unique tour of inspection in order to excite the Tuchuns who are in favor of resuming hostilities? Why does he desire to go to Hankow now that the Tuchuns have promised to obey his orders? If he desires to go to Hankow there is nothing for him but to go, but why should he have stopped halfway and then returned to Peking? That's what we can't understand.

Japanese Comment on American and European War Aims

From the Kokumin (Tokio)

The present war, in a word, is a war fought between England and Germany for supremacy. Japan only joined in it in view of the Anglo-Japanese Alliance. Should Japan fight for the sake of democracy, it will mean after all that Japan will be fighting against the national idea of solidarity. If the addresses or messages of President Wilson be interpreted in their logical extremity, the conclusion will be that America is fighting in order to force democracy upon other nations. But President Wilson later found out the awkwardness of such an attitude in regard to Japan. So it is reported, that he had it indirectly explained to the Japanese nation that America does not mean to force democracy upon Japan.

It is a great mistake on the part of the Japanese to think that America and other western nations are fighting against Germany and her allies altogether in the interests of ideals or humanity. Had America declared war against Germany for those lofty ideals alone, why had she not done so in the summer of 1914. It is illogical that she should have waited for three years until 1917 to wage war.

At any rate, the declarations of war aims made by the western statesmen are only excuses. The Japanese statesmen should not accept them as genuine bonds. The Entente Powers profess that they are fighting for liberty and democracy. But what are they doing actually? They are imitating the militaristic Germany. The professed home of liberty has become a land of no liberty. Two professors of the Columbia University have been dismissed because they talked of peace. Indignant at this treatment of the two professors, another who stood for war resigned, although he differed from those two professors.

The Case of General Chang Hsun as It Stands To-day

From The Peking Leader

If there is one echo of the attempted Monarchical Restoration of last July about which the public at large has heard the least and is most curious to know, it is undoubtedly the case of General Chang Hsun. As will be remembered, he fled for asylum to the Dutch Legation when the Restoration Movement collapsed. From time to time the public gathered from the press that the Government of this country was negotiating with the Dutch Legation and the Diplomatic Body for his removal from the Legation Quarter. Beyond that a veil of mystery seemed to have been drawn over the whole proceedings and the man in the street was left to guess the rest. Consequently the following questions are now being everywhere asked: Is the "King-Maker" still in the Dutch Legation? What about the negotiations for his extradition or removal? What will eventually become of him?

A few days ago the local vernacular papers reported two versions of the latest development of the matter. Some alleged that the Diplomatic Body, acting on the suggestion of the Legation concerned, had suggested to the Chinese Government that Chang Hsun should be allowed to leave China and, once outside Chinese territory, be permitted to travel wherever he liked. Others gave it that the Dutch Minister had called at the Ministry of Foreign Affairs and made such a suggestion in the name of himself as well as the whole Diplomatic Corps. Now these as well as other reports are mutually contradictory, so we have been at pains to find out the exact situation from reliable quarters. To the best of our knowledge the following appears to be the up-to-date facts of this complicated affair.

General Chang Hsun is still at the Dutch Legation. The Government of this country began early to negotiate with the Diplomatic Body for his removal from the Legation Quarter. Approximately two months ago the request was agreed to under the following conditions: (1) The political offender was to be deported to the French Reunion Islands, off Madagascar, and kept there for the duration of the war. (2) After the war he could go wherever he liked, but he could not return to China except and unless with the consent of the Chinese Government. Since then the Government has been endeavoring to make the necessary arrangements, financial as well as shipping, for his removal. These arrangements hinge principally on the question of funds for his transportation and maintenance. Chang Hsun is a traitor to the Republic; so it is for him to pay his own expenses and support. As soon as the necessary adjustments are completed, he will be deported as already agreed upon.

It is therefore greatly to be hoped that the requisite arrangements will be promptly perfected, as the settlement has already been long delayed. This is one effective way of doing away with hopes of further intrigues, monarchical as well as enemy.

In the Field of Business and Finance

Straits Tin for America

A SUPPLY of tin adequate to all American requirements will shortly be available through a modification of the British embargo on that commodity, following negotiations with Great Britain by the U. S. War Trade Board and the Department of State.

Relief will thus be afforded to American users of tin through the withdrawal of the present embargo on tin so far as imports *via* the Pacific coast are concerned, coming from the Far East.

American importers must obtain proper licenses from the Bureau of Imports of the War Trade Board before the tin can be brought into the United States. This is one of the conditions through the establishment of which Great Britain has been persuaded to agree to release a supply of tin in the proportion desired by the United States. Another factor in the negotiations that favored this country has been the importance of tin in war products and the recognition by Great Britain that everything must be done to facilitate the full use of America's productive capacity.

If no other source of supply were freely opened to the United States than the Straits Settlements, the result would be that the shortage of tin that has recently become acute will be eliminated and practically all the demands of industry met.

U. S. Department of Commerce statistics show that during the last fiscal year the United States received 56,220,348 pounds of tin in bars, blocks, pigs or grain or granulated from the Straits Settlements. This was out of a total importation amounting to 137,576,360 pounds. In the preceding fiscal year the receipts from the Straits Settlements amounted to 81,60,716 pounds out of 143,934,269 pounds.

The extent to which tin imports into America have declined is shown by comparing the figures for September with those for June. During the latter month 18,746,567 pounds were imported, while in September only 12,187,759 pounds of tin were brought into the country.

It is understood that the reason why the embargo is to be modified only with respect to shipments coming to the United States *via* the Pacific routes is concerned with the shipping problem, it being held desirable to shift as much of the burden of transportation as possible to the Japanese and neutral ships in the Pacific.

Fruitless Efforts to Keep Tientsin River Ice Free

After several years of experiment, it appears that the effort of the authorities of Tientsin to keep the port open throughout the year will have to be acknowledged as a failure. A large amount of money has been spent on ice-breakers which have themselves, during the past two winters, been frozen in for lengthy periods and it has been demonstrated that, although they have been able to cut a channel through the ice, the river has not been sufficiently clear to permit of unrestricted trade. The past two winters have been, it must be conceded, exceptionally severe, but if the port can be kept open

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A modern store has been opened by the American Woman's War Relief Work Association in the Benjamin Building at the corner of Avenue Edward VII and Szechuen Roads. The store is modern in fittings with show windows, etc. and will be managed in a thoroughly efficient manner. It will be managed by Mrs. K. L. Brode, and it is the intention of the committee in charge of the Exchange to pay the actual cost of materials used in preparation for work to be sold at the store. All profits derived from the sale of materials at the store will be used here in Shanghai in the purchase of materials for the

American War Relief Work

now being conducted in Shanghai, by the American War Relief Work Association, in the Fearon, Daniel Building on Szechuen Road. The entire proceeds derived from the sale of materials at the Woman's Exchange will be handed over to the American Woman's War Relief Association.

WHAT YOU CAN BUY

Articles that may be purchased at the Exchange consist of jellies, preserves, pickles, fancy work of all kinds, baskets and ornamental work of all kinds. Orders for cakes and candies and such materials should be placed 24 to 48 hours in advance in order to insure freshness and obviate waste. It is hoped that ladies planning tea parties will order from the exchange materials their cooks are unable to prepare.

WHAT YOU CAN DO

The success of the Woman's Exchange, depends primarily upon the American women living in China although donations from women of other nationality are thankfully received. If you can do fancy work of any kind, or have articles of this kind for which you have no use, place them on sale at the Exchange. In case you desire to make fancy work to place on sale at the Exchange, the Committee will pay the cost of the raw materials used.

The use of the store room in the Benjamin Building has been donated to the Association; the Municipal Council has donated the electric light service; the Gas Company has donated heaters; the Telephone Company has donated the use of a telephone. It is now the problem of American women in Shanghai and the outports of China to assist in this enterprise upon which the success of American War Relief Work so largely depends.

during a mild winter only and is closed to shipping every season that a spell of colder weather intervenes, the dislocation of trade becomes so great, and the uncertainty of what the forthcoming winter may be each year so acute, as to render the effort to establish a winter trade useless.

In addition to the present winter having been a severe one, the floods in the surrounding districts have brought down an enormous amount of silt which, though it appears to have been swept out of the river, has been deposited on the Bar to such an extent as to reduce the available depth to less than seven feet. This means that even a ship in ballast would be unable to cross the Bar, even if the ice could be broken away, and would have to load and unload the whole of her cargo outside the Bar. For awhile, this was attempted by a few of the Tientsin ships, but as the winter advanced and the weather at the Bar became worse, this was found to be highly unprofitable owing to the great delays and the damage that was suffered by the ships from the buffeting of the heavy lighters used at the port, and one by one the vessels were withdrawn until to-day there is not a single ship trading to the port. The pilots of Tangku claim that there exists a fairly deep channel to the south of the present Bar channel carrying over ten feet but this apparently has not been sufficient inducement to attract ships to the port during the rigorous weather now prevailing.

The severe conditions also militate against the possibility of dredgers operating on the Bar as the constant blows and floating ice rendered dredging impossible and it may, therefore, be accepted that Tientsin, and even the outer port of Tangku, is definitely closed until such time after the passing of the winter allows of dredging operations on the Bar and the cutting of a channel through the silt that has been deposited on it.

So far then the Tientsin winter trade has not by any means repaid the large amount of money that has been expended in ice-breakers and it is doubtful if, in a moderately severe winter, conditions will be much better. It has to be remembered that the most efficient ice-breaker can only break up the ice; she cannot dispose of it and, in such a narrow and tortuous stream as the Haiho, this will always present a serious obstacle to the running of shipping during the season of frost. Floating ice, where vessels have to moor to a wharf projecting into the stream, is apt to become unmanageable and, in a tideway, to tear her from her moorings by forcing itself between the ship and the wharf or, in the absence of current, to become bound together again more rapidly than the icebreakers can disperse it. The Gulf of Pechili also has earned for itself a reputation as an ice trap owing to the quantities of ice, swept out of the river, which drifts about in the Gulf making it exceedingly dangerous for vessels to make their way through the bight to approach the bar. This cause alone has been responsible for serious damage to vessels in past years, from which Chinwangtao, owing to its situation on an open coast, has been more free, and it cannot be expected that owners will deliberately risk their ships unless for freights that, even in these times, would be prohibitive.

The future of Tientsin as a winter port does not, therefore, appear to be encouraging and it is questionable whether it would not be wise to dispose of the ice-breakers and accept the closing of the port for the winter months as an unavoidable circumstance. *From "Shipping and Engineering."*

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Statistics of World Crops

International Institute of Agriculture, Rome, gives 1917 production of wheat in France as 144,000,000 bushels, or 70.3 per cent of 1916 crop, and 50.1 per cent of five-year average 1911-1915; in England and Wales 57,000,000 bushels, or 104.8 per cent of 1916 crop, and 97.9 per cent of five-year average 1911-1915; India, 379,000,000 bushels, or 119.3 per cent of 1916 crop, and 105.2 per cent of five-year average of 1911-1915; Egypt, 30,000,000 bushels, or 81.6 per cent of 1916 crop, and 84.8 per cent of five-year average 1911-1915. The 1917 production of wheat in Spain, France, Great Britain, Ireland, Italy, Luxemburg, Norway, Netherlands, Sweden, Switzerland, Canada, United States, India, Japan, Algeria, Egypt and Tunis is given at 1,868,000,000 bushels, or 98.8 per cent of 1916 crop, and 85.6 per cent of five-year average 1911-1915.

The 1917 production of rye in Spain, France, Ireland, Italy, Luxemburg, Norway, Netherlands, Sweden, Switzerland, Canada and United States is given at 147,000,000 bushels, or 94.6 per cent of 1916 crop, and 92.2 per cent of a five-year average 1911-1915.

The 1917 production of barley in Spain, France, Great Britain, Ireland, Italy, Luxemburg, Norway,

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Netherlands, Sweden, Switzerland, Canada, United States, Japan, Algeria, Egypt and Tunis is 587,000,000 bushels, or 100.5 per cent of 1916 crop, and 96.0 per cent of a five-year average 1911-1915.

The 1917 production of oats in Spain, France, Great Britain, Ireland, Italy, Luxemburg, Norway, Netherlands, Sweden, Switzerland, Canada, United States, Algeria and Tunis is 2,682,000,000 bushels, or 115.5 per cent of 1916 crop, and 113.9 per cent of a five-year average 1911-1915.

The 1917 production of corn in Spain, Italy, Switzerland, Canada and United States is given as 3,312,000,000 bushels, or 122.7 per cent of 1916 crop, and 114.1 per cent of a five-year average 1911-1915.

The 1917 production of potatoes in Italy, Luxemburg, Norway, Netherlands, Sweden, Switzerland and United States is given as 719,000,000 bushels, or 134.8 per cent of 1916 crop, and 112.4 per cent of five-year average 1911-1915.

The 1917 production of sugar beets in Netherlands, Sweden, Switzerland and United States is given as 10,000,000 short tons, or 106.6 per cent of 1916 crop, and 119.8 per cent of a five-year average 1911-1915.

Increased Imports of American Goods to India

India's imports from the United States have considerably more than doubled during the war period, as is shown by the report of the Director of Statistics to the Indian Government, reviewing the trade for the fiscal year ended March 31, 1917.

While imports from the United Kingdom showed a decrease, trade with the United States and Japan increased materially. Imports from America of dyeing and tanning substances, which in 1915-1916 totaled only $15,000, for the fiscal year 1916-1917 aggregated $1,405,000. Motor cars and cycles in the same period increased from $1,955,000 to $4,865,000 and mineral oils from $8,350,000 to $10,370,000. The aggregate of imports grew from $26,235,000 to $36,250,000.

The official report states that the value of the total foreign seaborne imports into British India of private merchandise and Government stores (excluding treasure) amounted to 1,60,23,57,000 rupees in 1916-17 as compared with 1,381,693,000 rupees in the previous year. By comparing the year's trade, however, re-calculated at the prices prevailing in 1915-1916, with the actual value of trade in 1915-16, there was a decrease in imports (on account of the decrease in volume) amounting to 14,49,22,000 rupees. Manufactured articles constituted over 71 per cent of the total value of imports of private merchandise in 1915-16, and over 73 per cent of the total in the year under review.

Next to cotton manufactures and sugar, iron and steel were the most important seaborne imports in 1916-17. Prior to the war Belgium and Germany were the principal sources of supply of bars and channels, and there has been since the outbreak of war a considerable increase in the imports of iron and steel goods from the United States, especially beams, pillars, girders, bridgework, bolts, nuts, hoops, strips, nails, rivets and washers.

The principal features of the import trade in 1916-17 in regard to hardware were the increases in enamelled ironware and metal lamps, and the decrease in tinned or galvanized iron buckets. The total value of imports of hardware in 1916-17 amounted to 3,11,00,000 rupees, an increase of 31 per cent over the previous year. The share of the United Kingdom declined from 66 per cent to 59 per cent, that of the United States increased from 18 per cent to 19 per cent, and that of Japan from 7 per cent to 16 per cent.

The Conscription of Capital

From the New York Times

The difference between conscription of capital and labor is illustrated by what is happening in Russia. The Bolsheviki have levied "excess profit taxes" to a total exceeding 100 per cent, but graciously collect only 90. Even the Bolsheviki see that it is necessary to leave something for the capitalists if they are to be expected to fulfill their function of providing revenue. Also the Bolsheviki are seizing the banks. They took even the trust funds of the Imperial—now the State—

Bank some time ago, and are now seizing the private banks, including even the branch of the National City Bank of New York. In this the Bolsheviki fall below even their own grade of intelligence. If they had protected the banks even as well as the industrials, they could have reaped many a harvest from them both. But by their processes they are crippling their own resources.

Mr. Stevens, the American Railway Commissioner to Russia, said in Tokio on Thursday that the soldiers are operating the railways at 30 per cent of their efficiency. The workers are loafing and the women are working. The farmers are hoarding three years' harvest because the Bolsheviki have made roubles worthless counters. The lesson of such incidents is the sole profit to be derived from them. They teach nothing more surely than the distinction between conscription of men and capital. A man is conscripted to be used, not to be consumed. Capital is conscripted to be consumed, not to be used. Men mostly return from wars, but tax money never is returned to those from whom it is taken. Government has no use for money but to spend it.

The real Government investors are the taxpayers, and the taxpayers do not control the investment in any effective sense. Capital should not be exempt from conscription from tenderness for it, but because it best serves the Government in the hands of those who can best use it. Thus the analogy between conscription of men and money is seen to be nothing but a phrase. Capital can be taken but once. In the sense that men are conscripted, only the income of capital can be conscripted. The State grieves over destruction of armies, but rejoices over consumption of capital in proportion that it is ruled by Bolshevist reason—or lunacy.

China Tea for Great Britain

The efforts of British merchants interested in the China tea trade to induce the British Government to be more liberal in their attitude towards tea from China—the trade in which as things stood had been seriously crippled and discriminated against in favor of Indian tea—have had the result that in the House of Commons, January 28, it was announced that arrangements had been made to buy tea in China on behalf of the Food Ministry for importation to the United Kingdom in neutral tonnage. If sufficient tonnage was available it was intended to purchase 3,000,000 pounds in 1918. The agents of the Food Ministry in China would arrange the tonnage.

Commercial and Financial Notes

Decision to distribute a dividend of 50 per cent for the latter half of 1917 was reached at the semi-annual general meeting of stockholders of the Osaka Shosen Kaisha, Japan's second largest shipping concern, in Osaka, January 24.

The Board of Railway Commissioners of the Dominion of Canada has granted to railways in all parts of Canada a 15% increase in passenger rates, with the exception of British Columbia, which has a minimum rate of 3c per mile. Railway rates on some commodities are reduced.

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The U. S. Fuel Administration has fixed the prices for export and foreign bunker coal at G. $1.35 higher than the domestic price scale, the new schedule applying to all countries except Canada. This action puts an end to the practise of Japanese, Norwegian and Swedish vessels, particularly the first-mentioned, of coaling at Pacific coast ports and taking advantage of the low rate which had been fixed by the American Government—so low in fact that it paid Japanese steamers to coal at Seattle rather than at Japan ports.

According to London advices there is a movement on foot in England which is calculated to encourage the creation of trusts and combinations of all sorts with the view of the ultimate elimination of the merchant from British trade. It is reported that the movement has the indorsement of one of the Government departments. The British Board of Trade is said to have adopted the plan as its "considered policy," and is sending round the country missionaries who preach the gospel of cartels and trusts, and arrange with taxpayers' money for the extinction of the British merchant. Manufacturers are being advised that competition is undesirable, that unless they form trusts they will "go under," and that the sale of their products is no longer safe in private hands. They are receiving offers of the services of subsidized commercial travelers, whose expenses are in large part defrayed by the Government. The Board of Trade has offered its cooperation in every possible way to the desirable end of concentrating business in the hands of a few powerful combines.

According to a compilation made by the National City Bank of New York, the United States is the largest coal producer of the world. According to the Bank's statement its coal supply far exceeds that of any other country, her estimated supply being 3, 527,000, 000,000 short tons against 180,000,000,000 in Great Britain the next largest producer; 164,000,000,000 in Germany which ranks third as a coal producer. China's supply ranks next to that of the United States and is estimated at 1,500,000,000,000 short tons or less than half that of America, but China's output of coal is extremely small, a trifle of 15,432,000 tons in 1913 according to the Bank's statement. So large is the American supply that according to the Geological Survey the quantity of coal produced from the mines of the United States since coal mining began a century ago is but about one-half of 1 % of the original supply, the entire output of our mines from the beginning of coal mining in 1800 to the end of 1917 having been 12,000,000,000 tons out of an estimated supply of 3,527,000,000,000.

At the Shanghai Hotels

The following guests have registered at the Astor House Hotel during the week: A. A. Hayton, Singapore; Hasslhuhu, Singapore; D. H. Hampshire, Singapore; E. S. Wadefield, Singapore; N. J. Kennaway, Singapore; W. H. Donald, Peking; A. F. Fearon, Kobe; F. W. Doggett, Soochow; E. W. Mills, Peking; S. E. Bray, U. S. A; Capt. J. H. Bos, Canada; G. F. Crant, Canada; W. G. Shepherd, Canada; P. E. Doyle, Canada; McEwan, Canada; Frase, Canada; W. T. Longwell, Peking; Miss Coquelle; J. R. Dryey, Yokohama; L. V. Bogga, New York; H. R. Kothaworth, Kobe; F. H. Gaultra, Kobe; P. D. G. Gain, Amoy; Chas. Tainter, U. S. Army; Mrs. Moore Bennett, Peking; M. H. Young, Peking; J. H. Grant, Tientsin; L. P. Hold, Peking; S. Nakamura; Mrs. M. Clarke, Hongkong; G. S. Adler, Singapore; H. C. Pletcher, Hongkong; Robt. Horne, Hongkong; R. Buchan, Hongkong; Chas. Margeels, New York; V. de Villa, Hongkong; P. S. Crawley; Mr. and Mrs. W. M. Booth, Hankow; B. Johansen, Vladivostock; Sir Robert Bredon, Peking; J. N. Selchitsky, Harbin; H. Reeser; Miss Bonatyne; F. Stungure.

The following guests have registered at the Palace Hotel during the week: G. Zulsman, Hongkong; R. Stephen; N. L. Miller, England; Mr. and Mrs. J. R. McKonzie, Sydney; Mr. and Mrs. H. D. Ruston; C. S. McKarly, Local; L. D. Walch, Hongkong; F. G. Harrisons, Nanking; Mr. and Mrs. W. C. G. Howard, Kashing; J. Munro, Yokohama; A. Koltchok, Yokohama; T. Vouitch, Yokohama; A. L. Ballschmider, Yokohama; Mr. and Mrs. W. S. Carleton and three children; A. C. Newburger, Philadelphia; Mr. and Mrs. C. P. Windham and child, San Francisco; Lieut. Marie Paris; J. R. Fox, Local; G. M. Dinsburg; H. R. Kothewata, Kobe; Mrs. B. V. Harvey, New York; A. W. Jones, Manila; F. Sherbesee, Peking; L. E. Fleming, Changsha; R. Laurent; Mr. and Mrs. D. Bumstead, U. S. A; Capt. Jevchenkos; J. R. Bawkow.

The following guests have registered at the Grand Hotel Kalee during the week: J. M. Goldblatt, U. S. A; E. C. Kopp, Ningpo; Mr. and Mrs. C. H. E. Breyer and child; Harry Fuchs, Dairen. Miss O. Sims; Mrs. Martin and child; R. C. Anhardt, Peking; Marcello Bellino, Tientsin; Mrs. N. E. Bryant; Miss A. C. Bryant; A. C. Hitching and two sons; O. Rntsch; Wong Kwong, Hankow; Rodney Gilbert; Crokain; E. G. Whitaker, Peking; R. C. Elliot, Peking; Mrs. J. R. Clair, Mrs. G. L. Treadwell, U. S. A.

The Share Market.

RUBBERS Official only	Closing Quotations, Week End. Jan. 18	Last Quotation, Fri. Jan. 25	Business Done in Shares During Week High	Low	Net Chg.
Anglo-Dutch	4.10	4.00	4.00	4.00	—
Chemor United	1.12½	1.15	1.15	1.15	—
Java Consolidated ...	16.75	16.50	16.50	16.50	—
Padang	12.00	12.25	12.25	12.25	—
Shanghai-Padang ...	1.30	1.30	1.30	1.30	—
Tebong...	17.50	17.50	17.50	17.50	—
Ziangbe	4.75	4.65	4.65	4.65	—
BANKS, INDUSTRIALS, INS. COTTONS, LANDS, ETC.					
H. and S. Bank	590	600	600	600	—
Langkat	14.50	14.50	14.50	14.50	—
Union Ins.	760	720	720	720	—
Yangtszepoo Cot. (ord)	8.00	8.20	8.20	8.20	—
Telephone	76.00	76 00	76.00	76.00	—
Shanghai Dock	77.00	79.00	79.00	77.00	+2.
EXCHANGE					
Bar Silver	43⅜	43¼	43⅜	43¼	
T. T. on London... ...	4/2½	4/3	4/3½	4/2½	
Sov. Bnk. Buy. Rt. ...	4.75	4.66	4.75	4.66	
Gold $ Bnk. Buy. Rt. ...	96.38	95.69	96.38	95.46	
Mexican	71.9	71.95	72.0	71.8	
Native Int.	02	02	04	02	
LONDON RUBBER QUOTATIONS					
Spot	2/3⅜	2/3½	2/4	2/3½	
Forward	2/5	2/4⅜	2/5¼	2/4⅜	
Tendency	Steadier	Dull			

Date	Langkat Oil Output	Tons.
Week ended ...	Jan. 27	423

CLOSING OF TRANSFER BOOKS & DIVIDENDS.

Share	Period	Dividend
H. & S. Bank	—	£3-3s. Ex. 4s.-3½d.
Yangtszepoo	Feb. 4 to Feb. 9	Tls. 1.25
Laou Kung Mow... ...	—	2.50
Shanghai Tug (ord) ...	—	3.75

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New Books and Publications

The World's Production of Sugar

The World's Sugar Supply: Its Sources and Distribution:—a Pamphlet issued by the National Bank of Commerce in New York.

IN this publication a careful analysis is presented of the production of cane and beet sugar. Those countries are indicated which are the chief exporters of the two kinds of sugar in daily use and an analysis is made of the factors affecting the great consuming nations, which are now chiefly involved in the sugar shortage, namely, France, Great Britain and the United States. It comes to the reader with a sense of surprise when he discovers that 300 years ago the great mass of the people had scarcely tasted sugar, while for the rich it was the rarest of luxuries.

The total sugar production of the world has increased from 1,288,000 tons in 1840 to an average a little in excess of 19,000,000 tons for the four years from 1914-15 to 1917-18, inclusive. The sugar of ordinary domestic consumption was first produced exclusively from the sugar cane which is a native of the tropics and which does not flourish profitably outside of a sub-tropical climate. The presence of the same kind of sugar that is found in the sugar cane was discovered in the root of the beet as late as 1747. Beet sugar became of commercial importance early in the nineteenth century. It increased rapidly in importance until during the ten years from 1889-90 to 1898-99 it constituted three-fifths of the world's supply. One of the most dramatic races of history is that which took place between beet and cane sugar. Cane sugar has apparently won the victory, for in the five years from 1909-10 to 1913-14 just reaching the outbreak of the war it constituted 55 per cent of the world's product. Cane sugar production has increased from a little less than 7,700,000 tons in 1904-05 to an estimated crop of about 13,475,000 tons for the year 1917-18.

The chief factors in the word's cane sugar market are Cuba, Java and the Insular possessions of the United States, since British India, the second largest producer of cane sugar in the world, consumes locally its entire product. During the four years from 1914-15 to 1916-18 Cuba produced an average of 3,326,715 tons of sugar per year and of this amount she exported 67 per cent to the United States.

Java is second in importance as an exporter of cane sugar. Java's average production for the same period was 1,645,732 tons, and her sugar, while widely distributed. is an important factor under normal conditions in the sugar supply of the United Kingdom, Continental Europe and British India.

The sugar produced in the Insular possessions of the United States which, during the four years from 1914-15 to 1917-18, averaged 1,418,000 tons, practically all goes to the United States.

The United States is the heaviest sugar consumer of the world; the average consumption for the five years 1908-09 to 1912-13 being 3,797,610 tons per year. The United Kingdom is second, having averaged a consumption for the same period of a little over 2,000,000 tons

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per year. Russia is third and Germany and France follow as to total quantity consumed. The United Kingdom has the heaviest per capita sugar consumption. The figure is in the neighborhood of 90 pounds per year. The United States is second, under normal conditions consuming somewhat more than 80 pounds a year. It is noteworthy that sugar per capita consumption in other countries does not even approach the per capita consumption of the two great English speaking nations. Germany's consumption before the war was about 46 pounds per capita, French consumption was about 40 pounds per capita, while the Italians used only about 10 pounds per capita per year.

The present sugar problem centers around adequate supplies for France, Great Britain and the United States. Before the war had devastated her beet fields and before her agricultural labor had been called into the trenches, France produced practically all her sugar consumption, 700,000 tons per year. Now she produces only about one-third of her pre-war sugar crop. She is able to secure from other sources a considerable amount of sugar but if her shortage is not to be serious the United States must supply her with about 200,000 tons of sugar per year.

Before the war Great Britain was largely dependent for her sugar supplies upon the Central Powers, of Russia, and of the Netherlands and Belgium. The British have shown great enterprise in finding other sources of sugar supplies and in greatly increasing their importations of cane sugar. This means, however, that Great Britain, formerly supplied largely by beet sugar, now constitutes an additional drain on the world's supply of cane sugar.

The crops for each of the three years since the war has been in full swing, 1915-16, 1916-17 and 1917-18 (estimated), approximate the average for the five years preceding the war, in round numbers 18,500,000 tons. These figures represent a decline of about 2,000,000 tons below the production for the three crop years 1912-13, 1913-14 and 1914-15. However, these were record breaking years representing the world's maximum production. Cane sugar production has increased since the outbreak of the war by more than 2,000,000 tons over the pre-war five-year average, and this has partially offset the loss in beet sugar production due to war conditions.

The cane sugar supply is all at the disposal of the United States, the Entente and the neutrals. The question as to whether the Central Powers have enough sugar or not does not concern the United States. An interesting feature of the situation is the accumulation of sugar in Java. The most conservative estimates are to the effect that from 500,000 to 600,000 tons of sugar are stored there, because of the lack of shipping facilities.

This quantity would amply supply all needs but at present it cannot be transported to the United States, Great Britain or France. Reports have been circulated to the effect that the Javan movement to the United Kingdom is satisfactory, but these rumors are not well confirmed. Even without the Java sugar, however, there is enough cane sugar available for the Entente and for the neutrals, if the crop in Cuba and other convenient cane-producing areas can be shipped and distributed intelligently. The U. S. Food Administration has undertaken to deal with the situation. British experience, in the case of sugar, has shown that governmental price control and distribution can be effective. While it is possible that the present sugar shortage is but temporary and that as soon as a new crop begins to come into the market the supply again may be quite adequate to American needs, sugar is a valuable food and must be carefully conserved. Even when it becomes available in normal quantities it must be wisely used and no waste can be tolerated.

A Chinese Professor's Impressions of a World in Flames

Parcourant le Monde en Flammes, by Soong Tsung-faung, Head of the French Department, Tsing Hua College. Shanghai: La Presse Orientale. Francs 3.

IT is somewhat of a novelty to read a book in the French language written by a Chinese author describing conditions in Europe, with here and there a note on his native country. Mr. Soong, for instance, rather bitterly remarks that the only tangible result of the revolution in China has been the disappearance of the queue, a fact which is deplored even to-day by a number of sinologues who found that appendage so picturesque and characteristic of the Chinese people.

One of the amusing European incidents related is that of a Chinese, without a queue of course, who was taken for a Japanese in Berlin. The rumor had gained currency during the autumn of 1914 in Germany that Japan had entered the war on the side of the Central

Powers and, amidst shouts of "Vive le Japon," the Berliners feted this Oriental and carried him on their shoulders. A few days later the truth became known that Japan had declared war against Germany. Then the crowd vented its spleen on this modernized son of Cathay, who made haste to explain that there was a mistake and that he really wasn't a Japanese at all. The spokesman of the crowd thereupon replied, "While you were enjoying the festival of the last few days you certainly were not ashamed to let it be thought that you were a Japanese." The unfortunate Chinese was not released until some days later—upon the request of his Minister. The author comments that to the Germans the Chinese and the Japanese are just like cocoa and chocolate.

Interspersed here and there with the experiences of a traveller making the rounds of the world in flames, are little bits of what we suppose must be termed Europo-Chinese philosophy, a distinct feature of which are piquant references to matters feminine.

We trust that the Germans will be pleased at the following observation of an educated Chinese: "The German family is the most compact and, in the eyes of the Chinese, the best in the whole of Europe. The German woman makes the most reasonable of wives. What matters it whether it is servitude or slavery. It is among them that one finds the best ideas of sacrifice and affection."

In a paragraph on the theatre the author mentions that the Far East is a favorite subject for the European theatre, "Madame Butterfly" being always a popular favorite because of the music; but Puccini is never to be pardoned for having alloted to the prima donna a role which makes her hop like a frog instead of walking gracefully, as do the Japanese women in real life.

The comments of this Chinese author upon the marriage subject in Europe are really laughable. He classifies women as: (1) marriageable; (2) flirtable; and (3) "suitable." He says that the French women belong to the latter class, and that the women of Ibsen's drama were of the flirtable class. "The marriageable woman is found frequently in Germany, and all the Chinese and Japanese women belong without any question whatever to this category. It is among them that there really exists the idea of sacrifice and a spirit of resignation."

And so on to the end of a very entertaining little book. It is written in easy French style, and may be recommended to English-speaking people who wish to brush up their knowledge of the language of Moliere.

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In the United States Court for China

United States
vs.
James MacDonell.

Cause No. 628
DECISION
Filed January 29, 1918.

SYLLABUS

1. EMBEZZLEMENT more than most crimes requires felonious intent.

2.—*Ingredients* of the offense include (1) wrongful conversion to the offender's own use and (2) fraudulent breach of a fiducial relation.

3.—*Secrecy and concealment*, if not ingredients, are at least the usual accompaniments of the crime and their absence tends to raise the presumption of innocence.

4.—*Doctrine applied.* Where the attorney in fact, who was also a one-fifth stockholder, of a corporation was expressly authorized to expend its money for corporate purposes, and no other limits were placed on his discretion, the use of its funds in making a journey to the home office to adjust pressing matters of importance to the company after said office had failed to answer his correspondence, does not constitute embezzlement.

Chauncey P. Holcomb, Esquire, U. S. District Attorney, for the prosecution.

Messrs. Stirling Fessenden and H. D. Rodger for the defense.

LOBINGIER, J.:

The defendant is charged with

> "the crime of embezzlement: in that the said James MacDonell, within the jurisdiction of said Court, at Shanghai, China, on or about the twenty-ninth day of August, Nineteen hundred and seventeen, being then the manager and attorney in fact of the MacDonell-Chow Corporation, a corporation organized and existing under and by virtue of the laws of the State of New York, United States of America, and being then and there entrusted with and having the possession, custody and keeping by virtue of his said employment, of certain monies, to wit: the sum of Three Thousand Taels, Shanghai Sycee, the said sum being the equivalent of the sum of Three Thousand, Two Hundred and Thirteen and 75/100 Dollars, United States Gold Coin, at the rate of exchange prevailing on said last mentioned date, of the monies and property of the said MacDonell-Chow Corporation, did unlawfully and feloniously embezzle and fraudulently convert the same to his own use and benefit."

At the time of the transaction specified the defendant was not only "the manager and attorney in fact of the MacDonell-Chow Corporation" but he was also a stockholder therein, owning one-fifth (Ex. 7) of its capital stock. In an instrument (Ex. "A") executed in New York on November 2, 1916, in which the defendant is described "as the representative and attorney in fact of the MacDonell-Chow Corporation" he is authorized and empowered *inter alia*

> "to deposit in bank or banks or other financial institutions in China, Japan or elsewhere in the name and for the account of this corporation, such moneys of this corporation as may come into his hands in the course of the business of this corporation, and to draw against such bank account or accounts with other financial institutions by cheque, draft or otherwise, signed with the name of this corporation by James MacDonell, Attorney, and to expend such moneys of the corporation as may be entrusted to him for the purposes of the corporation; to collect all moneys due or that may become due to the corporation, and to give full receipts, acquittances and releases therefor.
>
> And to do all things and to perform all acts in the name of this corporation, and to sign all documents and papers of any description without reservation that may be necessary or desirable in the premises, or otherwise, in the prosecution of the business or litigation of this corporation in China, Japan or elsewhere, with full power of substitution and revocation, hereby ratifying and confirming all that its said attorney or his substitute may have done or may do in the future, the same to all intents and purposes as the said corporation might or could do without reservation or restriction."

Notwithstanding these extensive powers and duties, no agreement seems ever to have been made between the company and the defendant as to the latter's compensation. From the time of his arrival in China, however, the course of dealing would seem to imply an understanding that defendant was to use his discretion in expending so much of the corporate funds as might be necessary for his personal as well as the company's needs. It appears that during the first eight months of 1917 he drew about Tls. 1,000 per month and that this was duly reported to and known by the corporate officers. On July 19, 1917, the Vice-President of the company, who is also the sister-in-law of the defendant, sent him a letter (Ex. 4) reading as follows:

> "We wrote you last January or February after holding a Directors' meeting, requesting you to notify us what salary you think would be fair and just for you to receive for your services for the year. We have never had a reply to this letter and would be very grateful if you would give this your attention. So far the books show that you are drawing at the rate of about $8,000. per year. This seems to me to be a trifle excessive as I should think $500. per month would be ample salary for you to live on in China. Of course, I know nothing about your requirements there, but I think, nevertheless, at this time you should not take any more money out of the firm than is necessary."

On the other hand defendant states, and it is corroborated by the company's bookkeeper, that the New York office of the company failed to answer his letters, and that there were numerous questions which he considered "vital" to the interests of the company pressing for settlement; that he was unable to condense an intelligible statement thereof into a cablegram and that since he could receive no reply by mail he decided that the best course for all concerned was to proceed to New York himself and explain the situation in person. He also decided to take with him a Chinese employee (Stone Sung) who was familiar with prices and business conditions in China and whose assistance he considered valuable. He further testifies that the company was at the time overdrawn at the bank and that in order to obtain funds for the journey he was obliged to use a sum which had originally been furnished him for possible investment in a concern known as the MacDonell Land Savings Association; that after investigation it was decided not to make such investment; that he concluded not to deposit the amount in the bank to the credit of the MacDonell-Chow Corporation for the reason that it would be used against its overdraft, and that instead he deposited it to the credit of the MacDonell Land Savings Association and later drew it out and used it for the purpose of purchasing tickets and providing expense money for himself and the Chinese in their trip to New York. This is the item and transaction out of which the charge arises.

Embezzlement has been defined by the Federal Supreme Court[1] as:

> "the fraudulent appropriation of property by a person to whom such property has been intrusted or into whose hands it has lawfully come."

It involves therefore two general ingredients[2]: (1) wrongful conversion to the offender's own use and (2) fraudulent breach of a fiducial relation. According to defendant's contention the first ingredient is wanting. He claims that he did not convert the funds in question to his own use but employed them in company business, viz: a necessary journey to New York to adjust matters of pressing importance which had failed to receive attention by correspondence. And here it may be observed that the essence of embezzlement, even more than of most crimes, is felonious intent.[3]

For the same reasons defendant urges that there was no frandulent or other breach of trust and cites as conclusive on this point the fact that he had at no time concealed the use of the money for the trip to New York. Secrecy indeed is an almost invariable accompaniment of such fraud. In England it appears that secrecy is an essential element. Thus in aleading case[4]

> "The prosecutors were owners of a vessel, and the prisoner was in their service as her master. The vessel was chartered to carry culm from Swansea to Plymouth, for a coal merchant resident at the latter place. The culm when delivered at Plymouth weighed 215 tons and the prisoner received payment from the coal merchant for the weight accordingly. When he was asked for his account by an owner, he delivered a statement, acknowledging the delivery of 210 tons, and the receipt of freight for so much. Being further asked whether this was all he had received, he answered, that there was a difference of five tons between the weighing at Swansea and the weighing at Plymouth, and that he had retained the balance for his own use, according to a recognized custom between owners and captains in the course of business.
>
> "There was no evidence of the alleged difference of measurement in weighing, or of the custom asserted by the prisoner."

The Court, per CRESSWELL, J., summed up the case as follows:

> "I think that this does not amount to embezzlement. Embezzlement necessarily involves secrecy; the concealment, for instance, by the defendant of his having appropriated the money. If, instead of denying his appropriation, a defendant immediately owns it, alleging a right, or an excuse for retaining the sum detained, no matter how frivolous the allegation, and although the fact itself on which the allegation rests were a mere falsification; as if, in the present case, although it should turn out that there was no such difference as that asserted by the captain, between the tonnage as measured at Swansea and at Plymouth, or that there was no such custom as is set up. I do not say to what species of offence this may amount, but in my opinion not to embezzlement."

This decision has been cited and its doctrine generally followed in America[5], tho the rule has also been laid down[6] that

> "While secrecy or concealment may be evidence tending to show a criminal intent, yet, if the evidence shows that the criminal acts constituting embezzlement were committed by the defendant, it is no defense that they were committed openly."

If a case were ever to arise where a fraudulent breach of trust could be "committed openly" and without concealment we would not be disposed to hold that the mere absence of secrecy would constitute an excuse. The difficulty is, however, that fraud and frankness in such cases are usually incompatible and that when the act is "committed openly" there is necessarily no fraudulent intent. While, therefore, in the absence of an express Federal decision, we need not follow the English case above cited to the extent of holding that secrecy is an essential ingredient of embezzlement, we must, nevertheless, regard the absence of secrecy and concealment as raising the presumption that no fraud was intended.

What would constitute secrecy and concealment has been judicially indicated:

> "Such concealment might have been effected by false entries upon the books of the company, or by the failure to make any entry upon them at all, or by representations known to be untrue, or by failure to report the receipt of the money when it was his duty to do so, or by any device resorted to for the purpose of disguising the truth from the knowledge of his principal, and thus inducing it to rest in a false security."[7]

But nothing of the sort was done here. Entries of the transaction were regularly made at defendant's direction. Soon afterward the books were examined by the complaining witness, and it is admitted that no obstacle was placed in the way of such examination. It is true that the item in question was transferred from one account to another but the defendant gives a practical reason already mentioned for this and one which in no way implies concealment from his company.

And here it may be observed that a mere difference of opinion between an accused and his employer as to the proper use of the latter's money will not support a prosecution for embezzlement provided there is no actual intent to convert the money and commit a fraudulent breach of trust. In this case, as we have seen, the defendant was authorized "to expend such moneys of the corporation as may be entrusted to him for the purposes of the corporation." Necessarily discretion was vested in some one to determine what these "purposes" were. The company officers do not claim that they ever gave the defendant instructions defining the phrase "purposes of the corporation." The Vice-President indeed complained that his expenditures seemed to be "a trifle excessive" and suggested that he "should not take any more money out of the firm than necessary." But in the absence of specific instructions this also left the defendant to determine what was "necessary." Defendant claims that he considered the New York trip "necessary" and the complaining witness admits that he never gave the defendant any instructions to the contrary. It must be remembered also that defendent was a one-fifth stockholder and to that extent the company's interests were his own.

Of course if there had been a specific agreement fixing the amount of defendant's compensation and limiting also the amount of his expenditures and he had then exceeded the limit a different case would have been presented; but the company not only permitted the defendant to come to China without such an agreement but conferred extensive discretionary powers upon him and allowed him to continue to exercise them even after its officers were aware that his expenses were what seemed to them "a trifle excessive." And when after a year or more of such a course of dealing defendant concluded that the best interests of the company required him to go to New York and to take with him a native of the country, well versed in the local methods of doing business, we cannot say that the use of company funds for carrying out such a project shows an intent to convert them to his own use or to commit a fraudulent breach of trust.

The company saw fit to repose in the defendant a wide discretion which it failed to limit in any legal or recognized way. Whether defendant exercised it always wisely is not a question for us to decide in this proceeding. If there is a civil liability it can be determined in the action which, according to the testimony, is now pending in the state of New York. But in a criminal proceeding like this the prosecution must show such felonious intent beyond a reasonable doubt. We feel satisfied that under the circumstances of this case a conviction could not be sustained on appeal and we have, therefore, no alternative but to direct an acquittal, with costs *de officio*

It is so ordered.

By the Court,

CHARLES. S. LOBINGIER.
Judge.

1. Mr. Justice Brown, in Moore v. U. S. 160 U. S. 268, 269, 16 S. Ct. 294, 40 Law. Ed. 422.
2. U. S. v. Harper, 33 Fed. 471, 474; Reeves v. State, 95 Ala. 31, 41, 11 So. 158.
3. *Arkansas.* Fleener v. State, 58 Ark. 98, 23 S. W. 1.
   Michigan. People v. Hurst 62 Mich. 276, 28 N. W. 838, Beale's Criminal Cases 716.
   New Jersey. State v. Lyon, 45 N. J. L. 272.
   South Carolina. State v. Butler, 21 S. C. 353.
   See also 15 Cyc. 491; II Wharton Criminal Law, sec. 1277.
4. Reg. v. Norman, Carrington & Marshman, 501, 41 E.C.L. 274, 14 Am. Criminal Rep. 326 (1842).
5. 15 Cyc. 495 (note 16) 508 (note 70). Cf. Fleener v. State 58 Ark. 98, 23 S. W. 1.
6. People v. Connelly, (Cal.) 38 Pac. 42.
7. Fleener v. State, 58 Ark. 98, 23 S. W. 1.